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THE BURDEN OF SWARAJ

BEING A CRITICAL EXAMINATION OF
CERTAIN BROADER ISSUES UNDERLYING
A NATIONALIST CONSTITUTION FOR INDIA

BY

K. M. PURKAYASTHA

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**THE A B C OF INDIAN
FINANCE.**

A historical and descriptive treatment
of India's System of Public
Finance.

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To
My Mother

PREFACE.

The most outstanding fact about life in India to-day is the political movement. Its fundamental inspiration is undoubtedly nationalist. Yet the ideal of political realisation of Indian nationalism has hitherto remained vague. I do not, however, for a moment suggest that the absence of definite ideals of political life before the ken of Indian nationalists discredit the Indian national movement. The political struggle of nationalism is everywhere so exacting that the wresting of political power, the immediate objective, obsesses the entire vision of the nationalist mind. Yet power is but a means to an end. And I believe the struggle of Indian nationalism has reached a stage when thought must be directed to the planning of the political life under the nationalist *regime*. The book is an attempt at provoking thought precisely in this direction. It need hardly be stressed here that the vital meaning of Swaraj will lie in the manner in which the Indian nationalists organise the political life calculated to the maximum promotion of the peace and happiness of the Indian people. This problem, I consider, is in a large measure constitutional. But any attempt at constitution-making for the nationalist India must, in my opinion, proceed not so much along the rut of commonplace worn-out liberal maxims of the mid-nineteenth century, as on the harmony of the present-day advanced poli-

tical thought of the West and the political experience and social ideals of our own land. Unfortunately public discussion on constitutional issues has taken such questions as adult franchise and 'responsible government' too much for granted. As a student of Indian politics and of political institutions generally, I have been unable to endorse the existing popular views on these subjects. I do by no means claim to have said the last word on them. I have sought to write myself as a critical exponent of my own points of view based on my own reading of current Indian affairs. I should be content if a similar critical attitude be developed among my readers, it being no matter to me what conclusions they might draw for themselves. My object is essentially cultural, using the word in an Arnoldian sense.

A word is needed about the title of the book. The conception that Swaraj is more a responsibility than a right has been the recurrent refrain of my discussion in the following pages. It is this fundamental assumption which has given a distinctive identity to my treatment of varied subjects and in one word sums up my own approach to the constitutional problem. Of the various limitations of treatment of the subjects I am myself conscious. Chapter IX of the book, for instance, is not intended as a serious study of the intricate financial problems which will face a new nationalist government; there I have touched off only a few broad points to interest those who have kept finance at an arm's length thinking it a dry, if not a sordid, subject.

Similarly, I have intentionally refrained from examining the Karachi resolution of the Indian National Congress on fundamental rights. While it is a welcome move in the right direction giving the lie to the charge that Congress has compromised between 'capital and labour, youth and old, man and woman,' the programme outlined in the resolution is too tentative and in some points too meticulous. I have thought it, therefore, desirable to leave it entirely out of my examination.

In conclusion, I must express my gratitude to the Editor of the *Annual Registers* the volumes of which for recent years I had had many occasions of referring to and gleaning materials from. I am also indebted to Messrs. S. Roy M.A., and K. Bose M.A., specially to the former, who out of their abundant sympathy for the poor eye-sight of the writer, practically saw the entire book through the press. My acknowledgment is finally due to my wife Mrs. Subarna Purkayastha M.A., who rendered me various help too numerous to recite.

K. M. P.

May 1, 1931, Calcutta.

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CHAPTER I.

SWARAJ AND WELTER OF IDEALS.

AN EMINENT British political thinker and an well-known exponent of nationality has characterised political nationalism as lacking in vision. The view, however superficially shocking, would appear on closer examination perfectly sound. Nationalism broadly understood as a strong force in the collective life of a people is a composite movement; it is rarely of a mere or even distinct political significance. Nationalism is rather an attitude than a creed of the mind. Hence while its psychological characteristics are the same throughout any community, its objective content widely varies from one person to another.

At any rate, the political situation in India to-day fully bears out this view. Nothing is more pronounced in the contemporary history of India than the phenomenon of an welter of ideals in its public life. Swaraj is indeed an elusive ideal for any one who would pause and care to analyse its meaning. There is observable a common spirit of assertion underlying every form of nationalist activity and among all sections of the population. Yet the ideals that move to action the different elements constituting the Indian society are by no means identical. Little account need be taken here of any doubt as to how far the political consciousness has filtered through the masses. The

strength and volume of Indian nationalism will be assessed elsewhere. For the present we are concerned with the exact content of the ideals which inspire and sustain the nationalist activity in India. Any fair-minded and discerning critic of current Indian politics will admit that despite the unanimity of its demand, to Swaraj is not attached an identical meaning by all sections of even the educated Indian opinion. As popularly conceived, Swaraj is the replacement of European elements by Indian in the Government and services of the country. It is the power and authority of the Europeans in high official position which the average Indian of political disposition regards as the sorest point of British rule in India. Their presence, therefore, he most profoundly resents. Swaraj, as he dearly cherishes it, resolves chiefly into the question of a complete Indianisation of the personnel of administration. With others again, Swaraj is very largely a race problem; to oust every Britisher from the position of vantage they occupy in India is the avowed object of such dreamers of Swaraj. They hold the somewhat naive view that if the Britishers could somehow be made to leave the Indian shore, an era of golden peace and prosperity would follow for the Indian people. It is remarkable that the racial hostility of such believers in Swaraj colours even their attitude to individual members of the British race. A deeper view of Swaraj, though far less popular than the one described above, centres round a wistful desire of a section of our people for the revival of old cultural traditions of India. The

worst results for which, they hold, the British rule has been tried and found wanting in India is the complete supercession of all that was distinctively Indian in her many-sided cultural system. It is held that during a period of alien trusteeship for more than 150 years India has almost lost, far less developed, her old art, old philosophy, her old social institutions; in one word India has been de-nationalised. It is obvious that this view of Swaraj is more in the nature of a protest against the present order of things than a coherent scheme of India's self-realisation. Sharply contrasted to this cultural view-point of Swaraj is the political objective of a large section which chiefly expresses its force and vigour in the domain of commerce and industries. Swaraj instead of being conceived as a revivalist movement is envisaged by the growing business classes of India as a big forward movement. To embark India on a rapid process of commercial and industrial development by every means that may be available in the resources of a modern state—that is the conception of Swaraj which is most passionately held to-day by a virile section of the Indian population.

Apart from these four-fold views of Swaraj stated with some measure of precision, there are also other arresting ideals of political life which have caught on the vision of our youthful idealists. At a time when the present political system in India is being challenged from every direction, it is scarcely amazing that there should be found men to-day who believe in physical force as the only principle for the re-

constitution of a new order in this country. More widespread than the up-holders of physical force are the ranks of those who dream of a proletarian supremacy in the Indian society. It must be clearly understood that there are not many to-day who are actively working a Red programme in this country just as there are only a few who have been detected as members of an anarchist organisation. The practical achievement of either party is indeed very small. But it is difficult not to acknowledge that outside the ranks of actual workers in either field and wholly unconnected with them, there are many who pay intellectual homage to the ideals of both, particularly of the Communist party. It is the schools of political thought prevailing in the country that we are attempting to take stock of here and anyone seeking to read the political pulse of India at the present moment must take into account the feeble but extremely portentous beats of intellectual anarchism and communism in the composite system of our present-day political thought.

To any one who has not a clear appreciation of the true springs of India's political cravings or is imperfectly acquainted with her past history, this welter of ideals in political life will probably strike as extraordinary. He will probably wonder what India is really after and may also express surprise at the convergence of the manifold and sometimes mutually exclusive ideals in the common field of Indian nationalist activity. Happily enough, the Indian nationalism is too vital a force to be discredited by any imperfect or inadequate conception of

its political realisation. There are facts both of past history and of contemporary life which account for the lop-sided ideals of Swaraj current in the Indian public life. In our attempt at understanding India's political problem, it is essential that we have a clear grip of these facts. In the first place, the popular conception of Swaraj turns largely upon the personnel of the administering machinery; there is indeed little recognition of the need for expression of popular will in it. This political outlook has been determined by India's past history. The body politic that India was accustomed to in the past is one of simplest order. The maintenance of law and order is the only duty to which an old Indian state addressed itself. For the real organ of promoting social good in ancient India was not the state (*Rashtra*) but society (*Samaj*). It is in the latter sphere and not in the former that the collective will of the community expressed itself. Hence, the apathy of a large group of Indian opinion as to the elements of democracy that might find free play in a new and cherished political order. The racial bias which is so marked in another view of Swaraj springs equally from the traditions of old. Historically, the inspiration of Indian nationalist is derived from her medieval history which furnishes dramatic examples of patriotic struggles. Unhappily, these struggles such as were led by Rana Pratap or Sivaji are essentially racial in character. It is only natural that history will leave its impress and the patriotism of many Indians even to-day should feed on race sentiment.

The cultural emphasis behind the political objective is, on the other hand, explained by the more recent history. In XIX century the period of steady consolidation of British power in India coincided with a period of her cultural decadence when de-nationalisation in every sphere of life was complete and absolute. With the full sweep of an opposite political tide now running in this country, there has naturally emerged the strong, even though small, body of opinion that the value of a new political order would depend directly in the measure in which the rich old culture of India might find a congenial home in it and a favourable atmosphere of its development. The economic ideals associated with the cherished attainment of Swaraj indicate probably the latest phase in the somewhat ever-changing orientation of Indian political life. The last European War for the first time in her recent history put India under an unaccustomed strain. She felt tremendously the impact of the world economic forces. But they gave her a new economic vision. The sense has grown steadily and with an amazing width of appeal among the Indian capitalists that all is not right with the present political system in the best interest of Indian trade and industries. For a process of rapid and unhampered development of Indian capitalism, Swaraj, they think, cannot come too early even next moment.

One fact is clear from this survey, that India is at the moment in the throes of conflict of competing ideals in her national life. Between

the lure of her medieval institutions and the claim of modern Western political ideals she seems yet unable to make up her mind. How far under a new ordering of the communal life she should respect the ancient principle of status and how far she should adopt modern individualism is a vital dilemma which would seem to remain yet unsolved. Equally bewildering seems to be her choice between a cultural chauvinism and a wider cosmopolitan outlook underlying a new structure of Indian society. But hesitant and bewildered as Indian nationalism may appear to be, uncertain in its object, lacking in clarity of its vision, it is yet remarkable that there is a common ground of agreement among its varied expressions. The fundamental fact is unanimously recognised that the path to progress lies along political advance. Self-realisation in the case of a people, as in the case of an individual, implies the scope for a free will. Civilisation can be introduced on a backward people from outside but the progress of a self-conscious people can only be evolved from within. Swaraj regarded as a definite scheme of national advance, as already pointed out, is not one. It cloaks and sums up a number of yearnings, distinct and sometimes conflicting, in the Indian national life. On its charmed sound hangs the fervent patriotism of Indian capitalists as the passionate fire of Indian communists. By its blessed name swears the forward upholders of Western democracy as the revivalist apologists of ancient institutions. Yet Swaraj, vague and nebulous, is real. It is the symbol

of Indian nationalism. It represents the passionate desire of the self-conscious Indian people to evolve and work their own destiny. This national idealism can only be satisfied with a free national will, that is, under conditions of political autonomy. For, under modern conditions statehood is the most fundamental organisation of a community and government is the most important, if not the exclusive instrument of realising social good.

It is, however, necessary to emphasise that the exercise of national free will is a responsibility of the highest gravity. Swaraj is indeed a heavy burden, particularly for the people who attains it for the first time after a long period of alien subjection. Political autonomy or the political freedom of national will is only a means to an end. A government is only a vehicle of progress. What ideal of social good will the politically emancipated community realise through the instruments of statehood is always the vital question. And Indian nationalism standing on the threshold of its political liberation must pause to answer that question. Imperial Germany set before it the ideal of efficient citizenship developed by intellectual culture and military discipline as the *summum bonum* of national policy. Shall India set before her a similar ideal for her national statehood? Or would she address herself to a rapid or almost frenzied development of material prosperity just as United States of America has attempted during the long years of unbroken peace? It would be a serious

mistake to regard such questions as remote issues. The political objective is for the moment so all-absorbing that it is only a natural disposition to suspend for the present all efforts for their solution. We venture to feel that the political struggle of Indian nationalism has reached a stage at which it will no longer be wise to be content with a vacant ideal of political power. Indications are already available that the too exclusive pursuit of a political programme has a tendency to divest the movement even of its nationalist outlook. To cite an example, at the Madras Session of the Indian National Congress held in December, 1927, the 'independence' resolution, as it has been called, was for the first time launched. It is significant that at the meeting of the All-India Congress Committee the demand was at first voiced only for independence unconnected, it must be noticed, with any idea of *national* sovereignty. It is just possible that the complaint of omission would be twitted as being only in the nature of a constitutional quibbling. But to any one who is prepared to cast his look ahead through the haze and blur of current politics, the omission would appear as portentously significant. It is true that the Nehru Committee have since evolved a scheme of constitution in which popular sovereignty has been adequately recognised. Yet the point of our observation remains. Engrossed in a strenuous political programme the Indian political leaders have not, it seems, given sufficient time and thought to the formulation of those ideals of social organisation on

which alone the peace and happiness of a future self-determined India will depend.

A number of questions confront us in any attempt at re-organising Indian communal life through the political mechanism. *Firstly*, shall India continue to recognise her ancient distinction between civic and social life? If she does, probably the sphere of government in the future India will be more limited than in the West. Probably an endeavour shall in that case be made to modernise and re-habilitate a system of social life outside the administrative jurisdiction of the state. *Secondly*, shall India attach greater weight to spiritual values than to external aspects of life? If she does, then wealth and worldly success would not constitute the only measure of talent cognizable by the state. *Thirdly*, shall India recognise, as she did in the past, that capacity of men, as they are constituted, varies? If she does, probably much that is considered the essence of democracy according to modern notion will form no feature of future Indian government, e.g., manhood franchise or referendum. *Fourthly*, shall India overlook the stupendous moral fervour behind modern democracy that has brightened the face of the Western land? If she does not, certainly provision will be made for equal opportunities of all irrespective of rank, wealth, colour or creed. *Fifthly*, shall India overlook how industrialism in the West has knit the bond of fellowship between man and man? If she does not, probably the unity of economic interest will be recognised as an alternative basis of political organisation to the

regional principle. *Sixthly*, shall India neglect the potent lesson of history that privilege and power vested in special seats are liable to abuse and corruption? If she does not, probably steps will be taken in the instrument of government itself against the possibility of such vicious accumulation.

These questions are by no means claimed as exhaustive. Nor probably can all such of them be answered once for all before the future government sets to work. They are broached here only to provoke thought in the direction indicated and especially to bring out the serious nature of the issues involved in any attempt at constitution-making for future India. For, a constitution is not a mere dry statement of the function, composition and inter-relation of the various organs of the state but is the embodiment of the highest ideals of the body politic. Lord Meston than whom a more penetrative British statesman has not written on future Indian politics remarks in a brilliant article on India in *Dominions and Dependencies of Empire*: "I think India will evolve a type of national life not only very different from what she now possesses, but also different from anything that we have been pressing upon her. And it will be that type of life reflected in a constitution unlike that of any self-governing nation to-day and bearing little resemblance to the infant cradled in the Act of 1919." Lord Meston's prophecy may or may not come true in its entirety. But one fact is certain. The tendency of the work-a-day Indian politicians to cling to Westminster as the only

model of political life in this country and to think of future India exclusively in terms of British constitution must be arrested. We are convinced that Swaraj will fail of its main purpose, viz., the expression of the national mind through the mechanism of political organisation, if thought is not sufficiently developed now as to the exact character of our future national life and a constitution is not evolved to meet the needs of that future. Political obsession in the danger from which Indian nationalism must be saved at the present moment. In the chapters that will follow, an endeavour will be made to bring under a critical review the main issues determining the structure of a constitution for a national government in India. In this connection nothing would be more necessary than to temper our idealism with a clear recognition of facts of the Indian political life. Nothing more difficult than to resist the lure of those ideals of social life which, however splendid in themselves, are likely to lead to unfortunate results under Indian conditions. In one word, in the trial that is impending of its political realisation, the Indian nationalism must guard itself against the too natural disposition of window-dressing before a critical outside world.

A few words are needed by way of reply to criticisms which are generally levelled against the Indian nationalist movement. In the first place, the view has been advanced that India is a land of many castes and creeds, of divergent language and culture. Doubts have been cast if such a composite population can at all be

inspired by a genuine national ideal. Political autonomy for a people, it is argued, presupposes a common nationality which the 330 millions of Indians cannot obviously claim for themselves. Now, a racial and cultural nationality India does not certainly possess. But the Mazzinian doctrine of 'one nation one state' is, we believe, long exploded not only by political thinkers but also by the sterner lesson of recent history. A modern state, as Mr. A. E. Zimmern has so ably argued, is multi-national. No theory has prevented the Czecks, Croets and Slovaks of Eastern Europe from organising themselves into one state. The fact is that political nationalism, though it gains in strength and intensity from a common culture and racial origin, is not wholly determined by them. A long period of common government is enough to educate a people into a common political consciousness. After all, it is too late in the day to question or quibble on the nationalist character of the Indian political movement. As already pointed out, the political ideals behind the movement has not been sufficiently clarified but its very vagueness is a sufficient indication of its genuine national character. In the language of Browning, it may be said that "God's intimations fail not in perception but in clearness." One more criticism brought forward against Indian nationalism is that it represents the political faith of the educated classes alone and not of the entire population. The statement is perfectly correct, though Indian politicians

have not always shown the candour to admit it. But we do not consider that this objection affects the Indian demand fundamentally. Later in the book we shall have occasion to take full note of this fact in discussing the question of franchise. We would only observe here that we do not yield homage to the XIX century British liberalism which regarded an extended franchise as the essence of good government. In connection with both these criticisms against Indian nationalism, we can do no better than quote from a thoughtful article of Prof. Ernest Barker in the *Contemporary Review**: "We may point in the first place to the heterogeneity of India—division of Hindus and Moslems, of caste and colour, of stock and stock. The heterogeneity is there but nationalism, if once it grips the mind, has a way in the long run of transcending these differences. We may point, in the second place, to the vast silent masses of India; we may say in British India there are only 7,500,000 voters in a population of 250,000,000 or 1 in 33; we may urge Indian nationalism is a sectional one. I can only reflect that in the lifetime of many of us the electorate of the island was no more than 1:22. I can only recognise that after all it is always a section—the thinking and active section—which makes and manages states and nations." Our concurrence with the writer is complete.

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* November, 1930—page 584.

CHAPTER II.

DISTEMPER AND THE DEMAND FOR DOMINION STATUS.

The idealistic background of the Indian political aspiration having been discussed at some length in the last chapter, an endeavour may now be made to come in closer grip with the current political situation. The outstanding fact of the situation is that the government in India to-day has to be carried on in an atmosphere of strong prejudice and decided ill-will. No dispassionate critic would suggest that the governing machinery went wrong one fine morning or even that the task of government is discharged less efficiently to-day than a decade or two before. On the other hand, it would probably be only fair to admit that even apart from popular elements in it, the present-day administration of the country is marked by a spirit of progress singularly absent even so late as the beginning of the War. The difficulties of the Indian situation are entirely political and not administrative. A truism as it might appear like, it is still well to bear this fact in mind. It will assist our understanding that however best-intentioned or progressive British administration in India may be, the Indian problem will remain still unsolved. The Indian public have learnt to think in political terms and nothing else than a political remedy will appease their distemper. That is the fundamental

fact in the Indian situation which the British statesmen, it appears, have scantily recognised. The Indians have asked for wine, the British statesmen have given them bread. The result has been the amazing intensification of a political movement "running like a shaft of light across the land" until administration has become well-nigh impossible owing to political factors coming to play at every point.

Nor has the accentuation of the political mood been entirely for the good of India herself. She is in a fit of violent distemper. And though distemper is but a step from idealism, their psychological effects are entirely opposite. To an idealist mind nothing appeals more than a rational view of things, to a distempered mind nothing is more remote, more repugnant than the right reason itself. Herein lies the origin of much that is regrettable in the recent public life of the country, as we shall have occasion to examine presently. Here we need stress only one point. The more obsessed has the outlook of the Indian public been, the more facile has been their tendency to err in judgment, the more difficult has been rendered the task of the present Government in India. To bring home the situation in its real character we shall trace the main stream of political movement from an earlier point.

Amritsar may be regarded as the staggering point of the Indian political movement. Prior to it the political pulse in the public life beat slow, even though with intermittent quickness. An occasion like the internment of Mrs. Beasant in 1917 roused widespread excite-

ment. But generally speaking, the lull that came over the political agitation in India following the split in the Congress ranks in 1907 continued right down to the year of Amritsar happenings. The interval was no doubt marked by two tense outbreaks of anarchist activity, one in 1907-8 and the other in 1916-17. But anarchism was rather a break-water than a current of the Indian nationalist movement, as the public at large accepted it. Some ferment during this interval was also created by the Home Rule movement led by Mrs. Beasant in 1917. It is also remarkable that during these years political opinion of prominent public men was gradually shaping to what may be described as a more advanced ideal. Yet apart from an widening of vision, there was little activity in the political field comparable to the feverish display of energy in the later years.

Then came Amritsar and these gripping incidents of April, 1919 'never to be re-called except without a blush.' Closely following in their wake entered Mahatma Gandhi on the scene and his appearance transformed the political situation almost beyond recognition. A wave of enthusiasm passed through the land. High prices and economic distress had already charged the atmosphere with unrest, the Khilafat worked the religious sentiments of the Moslems to a white heat. In one word, a situation was developed in which man's mind was completely unsettled. In such an atmosphere stood forth Mahatma Gandhi at the crest of the wave. His saintly character, his idyllic simplicity of life, his scanty loin cloth—

all these took the Indian masses by storm. He appeared to them as the apostle of a new era of peace and plenty, out to end the rotten order of things they were suffering from. The enduring contribution of the non-co-operation movement of 1920-21 is that it discredited for the first time the British Raj to the Indian masses and made politics to them a live issue, whatever meaning and value they might attach to it. But a political movement pitched at such a high key of moral enthusiasm could not possibly last long. Enthusiasm waned and determination flagged. But failed it though, non-co-operation left the heart of India deeply stirred. Knowingly or unknowingly, the Swarajya party reaped the harvest which the non-co-operation had sown. The Swarajist programme launched in August 1923 was not an ordinary schism with the non-co-operation. It was politics of a different order or at any rate, worked in an altogether new plane. While non-co-operation called for spiritual restraint and solid work from the people, the Swarajists asked for spectacular demonstration and active resistance against the Government. While the moral basis of non-co-operation was self-abnegation, the watchword of the Swarajists was self-assertion. Non-co-operation was constructive in its efforts, the Swarajya programme was chiefly obstructionist in its objective. Yet where non-co-operation had failed, the Swarajists triumphed. It is not the obstruction offered on the floor of the Council and the Assembly which laid the Government low. It is not the 'scorching of Dyarchy' in the two provinces which marked

the real triumph of the party. The Swarajist politics were, in effect, a whipping campaign of embitterment of the public against the Government. There lay its chief and characteristic success. After the moral exhaustion of political life with ebb tide of non-co-operation, the realistic leaders of Indian nationalist opinion realised that it is futile to raise an orgy of high emotions and to try to direct it to constructive channel. It is, probably they thought, equally difficult to coerce the British Government into any large political concessions by any known and orthodox method of political agitation. Resistance, almost blind and unrelieved to official action was therefore hit upon as the basis of a new political programme for India. From 1924 to 1927 the campaign of resistance swept the country. The two general elections of 1923 and 1926 which the Swarajists fought gave them splendid opportunity of carrying their influence over the masses. A programme of constitutional resistance was bound to fail, as it did, in its outward effectiveness. But its outward failure re-acted with tremendous force on the psychology of the public. The more impotent did the political opposition appear, the stronger became the prejudice and hostility of the public against the Government. Impotence of action gave rise to perversion of judgment.

How deeply and completely was the public mind coloured by political pre-occupation would be shown by recalling a few episodes of public life in the recent years. First of all, let us refer to the tense and acute controversy in

1926-27 over the statutory rate of rupee-sterling exchange. On such an important economic issue, it was just possible that opinion would be divided. But whatever might be the correct rate, sixteen or eighteen pence, advocated by the rival school of opinion, the issue could not but be decided on economic grounds alone. Yet in the mass of the propagandist literature, in the course of impassioned harangues in public meetings, every effort was made by the sixteen-pencers to proclaim that the ratio issue was entirely a political one. That Government was insistent on stabilising the ratio at eighteen pence was sufficiently weighty a consideration to sway public feeling over-whelmingly in favour of the lower rate. A similar public attitude was exhibited in Bengal in 1926 with regard to the finances of the Calcutta University. The finances of the University were disclosed as the result of an official enquiry to be in a muddled state. The local Government before renewing their grant to the University for the next financial year stipulated certain conditions in order to ensure efficient financial administration. The decision of the Government roused severe criticism as being an encroachment on the academic autonomy of the University. The Minister in-charge of the Education *portfolio* was run down as an unpatriotic administrator for no other offence than the cussedness to hold that tax-payers' money was not cheap. The psychology of the public was in this juncture the same as in the other. It is possible to adduce scores of such instances from public life. But it would be

clearly unwise to re-open the controversies that are closed. The point of our observation behind these illustrative episodes is this; that obsession of public mind by the political movement is so complete that no question before the public is judged dispassionately on its own merit. The attitude of the Government is the determining factor. If the official view favours a particular course of action, the opposite is regarded by the public as right and *vice versa*. As Lord Lytton, then the Governor of Bengal, speaking at the St. Andrews Dinner in 1926 stated it, the Government can do no right. That is definitely the view of the Indian public to-day. The political susceptibility is so sensitive that a good word for even a single specific action of the Government can only be hazarded at the risk of reputation; intimacy with a man in high official position provokes suspicion and even European style of costume exposes the wearer to scathing comment and disapproval. The feeling against the Government is so bitter that there is the gravest danger incipient in public life of its wholesale demoralisation. Already, publicists must choose to-day between courage of conviction and sheer inanity. Capitalists must eat fire in order to sweat the labour. The professional classes must also join the ranting in order to obtain a hearing.

Unhealthy as the atmosphere of public life is according to normal standard of good citizenship, we desire to stress its obvious moral to the British people and the British statesmen. Can a distempered India be ruled any longer

except with her willing consent? Indian nationalism has almost broken its nose to spite Great Britain. The unusually bitter atmosphere created practically against a governing machinery, as such, might re-act unhappily on Indian political future after she has obtained control of power. But meanwhile good administration has been rendered impossible for Great Britain in India. The psychological support on which a government rests has given way for Great Britain. The attitude of the Indian people is not, however, revolutionary but what is equally inimical to good administration, bitterly and vilely prejudiced. A section of British opinion might wonder that Indian political situation should be regarded so dismal as indicated here. We wish it were possible to take a less alarming view. It is the tendency in the past to under-estimate the forces of Indian nationalist politics which has made India to-day the night-mare of the Whitehall and the country itself a poor back-number in the rapid race of progress of the world. Another honest school of British opinion would probably point to the momentous announcement of the British policy of August, 1917 and the Viceroy's statement of October 31, twelve years after. They would counsel Indian politicians sober action and moderate demand reminding that complete autonomy can only come in fullness of time and after a steady process of political education. They are free to admit the serious pitfalls of the reforms of 1919 but would ask Indians to forbear having regard to the constitutional scheme now

on the anvil. It is necessary to point out that the bulk of the Indians and such Britishers think in wholly different worlds. Their ideas on the Indian problem move along two distinct grooves. While Indians seek power, the Britishers discuss progress. The British point of view is not a little determined by their own past political history. Liberty in the island kingdom broadened down from precedent to precedent and it has been an article of liberal faith that "(Raw haste is half sister to delay." But it is scarcely recognised that between a subject people hungering for power and a free nation considering schemes of political reform, there can be no analogy either in psychology or in the method of treatment. To emphasise the need for political education or the danger of sudden accession to power is to exasperate the people and results only in adding to the vigour and violence of their demand. It is for this reason that even the most well-intentioned British counsel cannot touch the heart of the Indian nationalists. A distempered mind cannot even see itself clearly, far less other people's view. And political nationalism is the one thing which scarcely admits of half-measure or compromise.

To meet India substantially on her own terms would thus appear to be the only course left open to Great Britain. There is no doubt that another course is open, the method of mailed fist and firm hand. Those to whom such a method appeals are not open to conviction and we, therefore, deliberately refrain from exploring its possibility. Again, some of those

who are inwardly a believer in this method pretend not to realise the gravity of the situation. To the danger that is inherent in a policy of drift reference has already been made and back we turn, therefore, to the nationalist demand as the only basis for the settlement of Indian crisis. But before Great Britain is persuaded to meet the claim of the Indian nationalism, there are two questions which she must naturally ask of India for a reply, the one being inspired by self-interest, the other by the highest ideals of enlightened statesmanship. The first question to which Indians must reply is what safeguards they would provide for vested British interests under the nationalist *regime*. Self-interest of a people as much of an individual is hard to die. At any rate, self-interest is inherent in nationalism on which India herself bases her claim. That in any practical scheme of transfer of political power to the Indian hands there must be some surrender and some safeguard of the present vested British interests in India is certain. In the following chapter we propose to address ourselves to the task of that adjustment. Meanwhile it may be taken generally for granted that nationalist India would be perfectly willing to safeguard all reasonable vested British interest in this country consistent with her own vital needs as a political community. The second question to which nationalist opinion must also return an answer is 'Can a nationalist India defend herself against an aggression.' Honestly unburdening his mind, the nationalist would reply negatively. But

they would certainly point out that the query is entirely irrelevant or at any rate, not fundamental to the problem of the transfer of political power. To quote Lord Meston*. "A favourite argument against extension of political liberty is her (India's) inability to maintain an army and a navy sufficiently strong to defend her against aggression. It is a plausible argument but its importance is easily exaggerated. New Zealand or South Africa is not expected to arm itself against all comers. The strength for fitness for political liberty is not the strength of her armament, it is her capacity for good citizenship and enlightened government." Indeed the Indian nationalists might well argue that even the reluctance, far less the incapacity, to undertake defence is fully consistent with a demand for autonomous status. Well might they lay their finger on the Irish Free State which though under the Treaty Act of 1921 fully competent to undertake her coastal defence has so far evinced no anxiety to build up her naval armament.**

It is clear from a survey attempted in previous paragraphs of the situation in India that the political demand of Indian nationalism must be met for bare consideration of good administration, if for no other reason. Against this course there seem hardly any tenable

* Article on *Problem before Simon Commission*—Contemporary Review, January 1928, p. 6.

** Vide Keith's *Dominion Autonomy in Practice*—(1929) p. 70.

arguments of weight. Now, what is the demand of Indian nationalism? As formulated by the Indian National Congress and endorsed by other schools of Indian political opinion, this demand is Dominion Status. Whether it will lead to Swaraj so wistfully looked forward to is a matter of the future and will depend on how India shapes her own destiny. But so far as the British people are concerned, Dominion Status is the immediate issue with which they must come to grips. They must face the issue broadly, candidly and unequivocally. Unfortunately for India language has been strained so much in the past to serve political exigencies that India's conception of Dominion Status must be clearly stated. By her new status she desires to be recognised as an autonomous community within the British Empire equal in status, in no way subordinate to any of its members in respect of domestic or external affairs, even though she is united by a common allegiance to the Crown and freely associated as a member of the British commonwealth of nations. Under this altered constitutional position, the Crown would be represented in India by a Governor-General who will hold in all essential respects the same attitude to the administration of public affairs as the King in Great Britain and he will no longer be the representative or agent of the British Government or any of its departments. Stated in greater details and in constitutional language, it may be said India looks forward to a position under her new political status in which her executive government will both in

theory and practice be free from the control of the British Government; her legislative right will in theory be limited by her local jurisdiction, by reservation of assent of the British Crown with regard to specified subjects (such as amendment of constitution) and subject further to the exclusive power of legislation of the British Parliament in regard to merchant shipping and one or two inter-imperial matters. But for practical purpose the control of the British Government over India's internal affairs will be limited to the recognition of the judicial authority of the Privy Council and of the British Crown as the repository of the privilege of mercy and conferring honours to the people. It is in the conduct of foreign affairs that India will have to yield her unfettered authority to the British Government. But even here she will enjoy the right of previous consultation in formulating Imperial policy and shall enter into direct treaty and accredit her own diplomatic representatives with foreign governments in matters where no imperial issue is involved.

Apart from the basis of a political negotiation between India and Great Britain this summary description of the Dominion Status has been given to enlighten the less informed section of the Indian political opinion. For, it is certain that a section of the insurgent Indian nationalists consider the Dominion Status as a poor substitute for complete political independence. A large measure of this passionate yearning undoubtedly proceeds from vague political notions bred on patriotic sentiment inculcated

by medieval Indian history; a large part, however, is also due to ignorance, both of modern political conditions and also of the constitutional development in British imperial relation. It has been contended that independence is a blank negative ideal whereas the Dominion Status is a positive conception of national life. Unfortunately that is pursuing an erroneous and wholly misleading line of argument in favour of Dominion Status. Both independence and Dominion Status are political concepts and both can be equally regarded, if so chosen, as providing the frame-work rather than a positive content of a full-fledged national existence. As we suggested elsewhere, India may only snatch power from Great Britain but Swaraj she will have to evolve for herself. The realistic arguments of a decisive character for which India should bid for Dominion Status rather than complete legal sovereignty are thus stated by a prominent Moslem delegate to the Round Table Conference; "Under the new conditions which have been brought into existence as a result of the wonderful progress which science has made and as a result of the world forces which are now actually in operation as a consequence of the War, no country can afford to lead an isolated life." Legal sovereignty, Sir Mohammad Saffi would seem to suggest, is idle to quibble about when in point of fact no such thing can actually belong to any people in an absolute sense. We would add that dominion autonomy provides abundant scope to any people for an evolution of her full-fledged national life. This being so, the wisdom of

Indian nationalism should certainly lie in following the line of least resistance.

But after all, it is the wisdom of the British people which will count most in the solution of the tangled Indian situation. The issue is clear; whether India should be made to tread along a strenuous course of increasing political experience through stages of political advance until the declared goal of British policy is reached or should she be allowed to attain that goal immediately? At the back of the mind of the British statesmen there seem to lurk the idea that Dominion Status for India must yet be deferred for some long years. Any expression of such feeling from all responsible quarters is being strictly guarded. The fact is rather too complacently being taken for granted that conditions under which a Dominion Status can be demanded will not be satisfied; that the Hindus will probably not come to terms with the Moslems, nor the people of British India with the Princes. Distressing as the divergence of the various Indian political interests is, it is as disagreeable a feature of Indian nationalism not to be able to settle it as unworthy of the British statesmen to reckon on it. Speaking in logical sequence, an agreed constitution is undoubtedly a *quid pro quo* of the demand for political autonomy. Any concession to such a demand will remain indeed pointless in the absence of such agreement. Yet it is hardly necessary to insist on the same *time* sequence between the two. On the one hand, we venture to think that a frank and honest British offer to award India the prize of her struggle will go much to

close up her ranks, to settle all her outstanding domestic differences. The history of the Irish people at least, furnishes one such example. Southern Ireland first settled her terms with Great Britain and then settled her own constitution*. A decision as to the political status gives a reality to the task of constitution-making which is entirely lacking so long as the political future remains uncertain. This statement holds true even though the heterogeneity of Indian political life is almost a task for the gods to adjust. Unhappily, the British statesmen have not yet transcended their old attitude of treating India like a school boy and promoting him higher and higher with every fresh exhibition of capacity given. To-day the issue is much deeper; India has grown to its full manhood in political consciousness and it is futile to argue what it is good for and what not. Nor need the pace of India's political advance stagger any British statesman. There is at least one clear precedent where political power was yielded to a people by the British Government much faster than India has been able to dream for herself. New Zealand was given a representative government for the first time by an Act of British Parliament passed in 1852. The House of Representative under the Act met for the first time in June 1854. One of the first action of the new legislature was to demand responsible government. And this was granted

* The "Round Table Conference" of Ireland was held in December, 1921 and the constitution of the Irish Free State was adopted in a constituent assembly in the following year.

by Great Britain without any demur*. It is true that the measure of autonomy which is now as a result of long political practice associated with Dominion Status did not attach to colonial responsible government in the middle of the last century. But it is the inherent character of all human progress that where the predecessors end the successors begin. The cultural divergence which divide the British and the Indian people is an additional argument why divestment of Imperial authority should be more complete in the case of Indians than in the case of any other people of the British dominions. A section of high-brow British opinion would seem to regard that a response to the Indian demand would be a defeatist step in British politics. Men of this school clearly lack the vision to see that triumph will come not in resisting petulently India's political demand but in making her a freely associated member of the British commonwealth. The surest way to lose the fairest gem in the British Crown is by intransigent imperialism.

Much will probably be sought to be made of the Labour Government's statement of policy made at the concluding plenary session of the London Conference. In a later chapter an attempt will be made to examine the salient features of the proposals referred to in the statement. So far as the general attitude is concerned, it would no doubt be arrant die-hardism on the part of Indian nationalists not

* Vide Keith's *Responsible Government in the Dominions*
—Vol. 1, p. 27 (1928).

to recognise the vastly altered angle of vision from which the Indian problem is being looked at by the British politicians of the Labour Party. Mr. Ramsay MacDonald, for instance, has clearly pledged his party not to take advantage of the existing differences between the Hindus and Mohammedans. But policies after all must be judged not with reference to their verbal avowal but in the light of practical achievement. In the debate on the Round Table Conference in the House of Commons on the 27th January last, both Sir Samuel Hoare and Sir John Simon stressed the smallness of field traversed by the London Conference in comparison with the vast field yet to be gone over before the political future of India may be regarded to have been settled. Mr. Stanley Baldwin speaking in the same debate also referred to lack of parliamentary unanimity for which he inclined to regard "surrender" as the only choice open to the Parliament. All these are significant beats of British political pulse. And while there may be a tendency to discern a real 'landslide' in British political opinion towards India, a student of political affairs may yet be pardoned if he remains still cynical at the thought that all is not yet right with the Indo-British relation.

CHAPTER III.

SURRENDER AND SAFEGUARD.

In any attempt at promoting a political understanding between India and Great Britain, the question will have to be answered "What guarantee will the nationalist India furnish for the safeguarding of the vested British interests." The fundamental character of any such question in its bearing upon the Indian demand for Dominion Status has already been stressed in the last chapter. The British point of view in this connection will probably be clearer if it be regarded that in the treaty-making negotiations there is a British demand enforcable against India just as an Indian demand against Great Britain. It is true that British politicians have not formulated this demand; for until very recently there was little gesture, far less an expression of willingness from the British side to meet India on her own terms. The task is rather embarrassing for the Indian nationalists, yet it is they who will have to offer terms to Great Britain as a part of their own demand against her. The left-wing nationalists, at least the impatient element among them, will probably resent such a suggestion. Liberty, they would argue, is their birth right and in asserting such a right they might consider but not offer, terms for safeguard of vested British interests. It will probably be pointed out that none of the domi-

nions of British Empire had surrendered its freedom of action in relation to the British people when attaining their Dominion Status. Even the Irish Free State in the treaty of December 6, 1921 pledged, so far she was concerned, nothing more than certain harbour facilities to the British Government on her soil, besides of course a stipulation for taking over an agreed share of the British national debt. It is for a realistic and dispassionate critic to point out that the analogy of the British dominion is wholly untenable in the case of India. Dominion Status except probably in the case of Southern Ireland has not been a status determined once for all during the long years of development of British colonial policy; it has changed and grown until the present position has been attained and the tendency of the development is for still greater autonomy to be associated with it. When the dominions at first embarked on their career of responsible government, they were still under the whip hand of the Whitehall. Quite different is the position to-day when India is demanding Dominion Status in its latest constitutional implications. There is still one more differentiating factor in the case of India. It has been estimated on very high authority that there is an investment of private British capital in India to the extent of £500 millions*. Obviously this is a large stake of Great Britain

* Vide Sir George Schuster's Speech at Federation of Indian Chambers of Commerce and Industry at Delhi—February, 18, 1930.

in India and though no vested interest can claim for it such reservation of India's political power as would handicap the satisfaction of her vital needs. some measure of safeguard for the existing British interest should not be unreasonable to ask for or difficult to provide.

Great Britain's existing stake in India may be considered appositely under three heads, political, economic and financial. In the first place, there is an European population of 156,000 in India and the political status of this British element in India requires to be safeguarded. Secondly, a number of issues arise in the economic sphere consequent on the large part which British capital plays in the present-day trades and industries of India. The attitude of the Indian nationalists should be of an assuring kind with regard to these issues. As the Government of India in their despatch on the Simon Report puts the position from their own standpoint but nevertheless with substantial elements of truth. "If an Indian Government would treat them (the Britishers) not as aliens but as citizens, we do not doubt that they would play a worthy part in the commercial life of the country*." Thirdly, the credit of the British Government is involved in the outstanding foreign debt of India and a reasonable guarantee must be forthcoming of its due service and timely satisfaction after power has been transferred to a national government in India. We now turn to a detailed examination of these three-fold issues.

* Vide paragraph 189 of the Despatch.

Out of the total European population at present in India, the men and women of British nationality constitute the overwhelming element. There is some likelihood of the Britishers dwindling in number in future as a result of the very process of political transformation we have been considering for India. The ranks of the European officials, particularly in superior civil services, are likely to be thinner; probably at a more remote future the units of British army will disappear from the land. Yet a British population of well over 1,25,000 may be reckoned on even after the political power passes to the Indian hands. Will the Indian nationalists deny them any of the political privileges reserved for their own countrymen or will their political status be same as of the latter? The All-Parties' Committee of 1928 in their first report left their recommendation on the point somewhat doubtful. But in their supplementary report all doubts were set at rest. A citizen for the purpose of the nationalist government was so defined as to include 'a person who being a subject of the Crown carries on business or resides within the territorial limits of the new government.' Such a definition of Indian citizenship would no doubt secure for all resident British subjects in India the full measure of political privileges. But the offer of the All-parties Committee to the Britishers was subject to one important reservation. It was suggested that no person should be admitted to the citizenship of nationalist India unless he or she would citizenship of nationalist India unless he would

renounce his or her foreign nationality. Such a restriction suggested no doubt according to Irish precedent is likely to embarrass the Britishers resident in this country. For obviously under the restricted proposal, the Britishers will have to choose between the renunciation of their political privileges in a land where they will have to reside for long years and the renunciation of their political privileges in a land where they will have to reside for long years and the renunciation of their much-cherished British nationality as natural-born British subjects. The provision of the British Nationality and the Status of Alien Act of 1914 would seem also to complicate the problem, apart from the restriction referred to above. It is provided in that Act that any British subject assuming a foreign nationality shall be regarded to have lost his rights as a British national*. It is arguable, however, that this provision of the British Act is not applicable to the citizenship of a dominion government. But the problem affecting the political status of Britishers resident in India created by a new Indian citizenship remains at any rate a difficult one. That it is not the intention of the Indian nationalists to deny political privileges to Britishers residing or carrying on business in this country is obvious. Pundit Motilal Nehru as the President of the Calcutta Session of the Indian National Congress made it abundantly clear that no such denial of rights was ever thought of. Such difficulties as are

* Lawrence Principle of International Law—(1928) p. 206.

brought to light here emanate entirely from the method rather than the substance of any provision in the proposed instrument of a new government in India. Probably the best course would be not to attempt to create any Indian citizenship for the present. The dominion nationality created by Canada in 1921 and by South Africa in 1927 are not yet recognised by British courts and are yet unknown to International Law. Should Indian nationalism still regard a distinct Indian citizenship a matter of prestige, it would probably be the best course not to admit non-Indian British subjects as citizens but to extend to them as domiciled foreigners all the *political* rights of Indian citizenship. At all events, the undertaking must be forthcoming that equality of political status shall be maintained as between Indians and Britishers even after India attains autonomy of power.

In the economic sphere, the problem of safeguarding British interests in India is more difficult to solve, it being specially the field where a modern government desires to reserve its most complete freedom of action. The first question which we might examine in this sphere relates to taxation, both of individuals and corporations. It is obvious that if equality of political status be granted between Indians and Britishers, they must be all equal in the eye of law. The scope, therefore of discrimination in regard to taxation against individual Britisher in India is ruled out. The position of a British corporation, however, is not covered by any such guarantee. And it seems to us

fair that Britishers may ask for and Indians should give a definite undertaking that no British firm, joint-stock company or any other corporation carrying on business in this country shall be subject to a differential cess or tax other than what an Indian concern shall be subject to. Still a special application of tax on foreign companies which remains unsettled under the formulæ just framed relates to what is known as double taxation. In other words, the question if all sorts of income earned by foreign companies engaged in trade in India shall be assessible to Indian tax remains an open question. In this respect nationalist India must reserve its freedom of action. One fact is certain, that the taxable field cannot extend beyond incomes earned in trade either within or with India. The principle is so elementary that hardly a specific stipulation is called for. Moreover, that over-taxation of foreign enterprise may recoil on India's own economic interest is a possibility which Indian nationalists may be given full credit to realise for themselves.

Another direction in which the British economic interest would probably ask for safeguards is the protection of existing British firms and companies doing business in this country. The Associated Chamber of Commerce at its Annual Meeting in December 1928 passed a resolution that the Indian Legislature "should not either by legislation or taxation indicating discrimination of a racial character imperial the existing or development of or otherwise cause prejudice to any commercial or

industrial interest in India." The apprehension of the British business community, as summarised by the Government of India in their despatch on Simon Report, "arises chiefly in connection with the laws relating to joint-stock companies generally, and to insurance and banking companies in particular, the laws relating to the merchant shipping and inland navigation, the policy which might be pursued in the development of industries by means of bounties or direct state assistance of other kinds, the position of public utility concerns such as the railway, tramways and electric supply companies operating under license or a contract in this country." It seems to us that the field of protection even suggested for consideration by the Government of India in this in this extract from the despatch has been too unduly widened. It should clearly cause no apprehension to the British community as to what policy a future government in India may adopt with regard to the development of her industries. Nor need it be a matter of concern to them how the licenses of operation of the public utility concerns are disposed of in a new political order. The first involves a fundamental policy which no modern government would agree to exercise with reservation. The second rests on administrative decisions which, it is absurd to expect, will be made in advance. A monopoly concern, it must be remembered, thrives on special patronage and whereas it enjoys a special security so long as the patronage lasts, there is always the corresponding risk of complete withdrawal of the special privilege.

A monopoly concern, therefore, such as most public utility undertakings are, must of necessity operate under a risk which only increases in quantity but not in quality with a transfer of political power. The safeguards which the British business community can ask for from Indian nationalists are of a different character. They relate not to the operation of monopoly concerns but to ordinary private undertakings. Such safeguards must not fetter the freedom of a future government in the pursuit of its policy of industrial development, as such. These safeguards, in our opinion, need only be provided in the formulation of conditions under which British commercial enterprise shall be allowed to register and operate in India and the conditions under which British capital shall own or participate in ownership of industrial property in this country. It is in this rigidly defined field that surrender and safeguards must come into play. For, it is here that some national governments pursue an effective policy of restriction against foreign trading, just as it is precisely the field in which the British interest "will not be disposed to make over the rich prize which we and our forefathers with so much risk, expenditure and labour have created and developed."*

Into a lengthy discussion of how the different countries treat the business enterprise of people other than strictly their own we need hardly enter. For our present purpose we venture to

* Sir George Godfrey's speech at the Associated General Meeting on December, 18, 1928.

suggest the following terms as the basis of an understanding between Indian nationalists and the British business community. In the *first* place, subject to the reservation of mining, wireless, aviation, coastal and inland navigation and railway transport exclusively to the natural born citizens of India, it shall be open to a British enterprise to register itself in this country and to engage in any commercial or industrial activity precisely on same conditions as a purely Indian enterprise. *Secondly*, in the reserved field an enterprise shall be regarded as Indian if seventy-five per cent of its share capital, number of directors and interest in managing agency firm is held by Indians; further, in any scheme of Indianising the existing enterprise in the reserved field, if and when adopted, the pace of Indianisation which must proceed on an uniform annual rate, should be spread over a period of not less than twenty years. *Thirdly*, notwithstanding the first proposition laid down here it shall be legitimate for the future government in India to restrict the enjoyment of direct state aid to such enterprise alone as shall satisfy prescribed conditions ensuring their national character. A fourth term unconnected with the British business interest operating in India but which nevertheless can be stated here with advantage is that India must agree to treat Great Britain as the most favoured nation in pursuing her tariff policy.

These four-fold prepositions provide in our view an abundant measure of safeguard and security for the vested British interest in Indian

commerce and industries. The British opinion however, is not content with mere safeguards of their existing interest but regard it as their legitimate desire that having developed India economically in the past, they should continue to play an active part in the future economic development of this country. The terms of understanding suggested above will probably be found sufficiently wide to admit claims of even future expansion. The field suggested for exclusive reservation for Indians comprise activity which has been chosen not for their particularly lucrative character but for their vital national importance. The door has been left open for displacement of British interest in this sphere not because it is argued that existing British interest was unfairly acquired but because displacement is considered a legitimate exercise of a national policy. British opinion must clearly recognise that when political power is lost, it is unthinkable that commercial *status quo* can be maintained; more has to be sacrificed than what seems to be safeguarded. Even apart from the use of political weapon, commerce and industry are hard to grow in a foreign soil. The diminishing business of some of the foreign credit institutions operating in India to-day clearly illustrates this fact. It is good to be clear and disillusioned on this point, as there is a tendency in the British commercial circles to bid for too wide an agreement and too meticulous an understanding. On the other hand, the nationalists may well keep in view the danger of too extensive an use of political power in order to reap econo-

mic gain at the expense of vested interests. while it is legitimate that a portion of the economic life of the country should be reserved exclusively to the people of the land itself, nothing is gained by too aggressive an economic policy, particularly when an unrelenting attitude in the economic sphere may only result in postponing, or at least adding to the difficulties of, a political understanding.

It now remains to examine what safeguards the British Government may ask for in the sphere public finance from the Indian nationalists. Constitutionally the Government of India is only a subordinate authority, the ultimate responsibility for the government of the country being vested in the British Parliament. In discharge of this responsibility Parliament has hitherto incurred obligations in the name of the Government of India. Two such outstanding obligations are the sterling portion of the Indian public debt and the pay and pensions of the British civil and military officers. It is also argued that besides the two-fold obligations of the British Government in connection with the government of India, the responsibility for maintenance of India's credit in the international market constitutes a third obligation of which the British Government cannot divest themselves, even if a transfer of political power takes place. Such a responsibility, it is indeed possible to point out, logically follows from the British Government's acknowledged obligation to the foreign investors in the Indian Government securities. Nationalist opinion, however, would demur to such

a view. It is one thing, they would say, to acknowledge and honour the debt, it is quite a different thing to undertake to prevent any serious depreciation of the negotiable value of such debt securities. The truth seems to be that no such general undertaking as the maintenance of India's credit abroad can either be asked for or given. Credit may suffer despite best-intentioned measures of a government and it may often be a matter of dispute if any depreciation of a country's credit is attributable to causes over which a government had any control or for which a government may be held responsible. Behind a general statement such as safeguarding of India's international credit, the real anxiety of the British opinion seems to lie hidden elsewhere. What the British financial interests and British Government are really apprehensive about is that Indian nationalists, if they once come to power, may seek to make a large drain on the gold resources of the London money market. India has large reserves to her credit in London, the amount of the Gold standard Reserve alone amounting to £ 40 million. It is open, therefore, to an autonomous India in a fit of frenzy to attempt to draw the large reserves from London to India, precipitating a crisis in the international market. The danger attendant to such a course seems indeed so alarming that it may be worth while even for Indian nationalists to limit themselves against a too sudden or too rapid process of depleting the gold resources of London market. The Government of India in their despatch on constitutional

advance already referred to set forth one more condition of transfer of financial responsibility to the Indian hands. It is essential, they argued, to have an independent currency authority established in India before the British Parliament can surrender its financial responsibility to a new government in this country. The view does not seem to be firmly grounded. The tradition in India is for the coincidence of currency authority in the government. Mere separation of the two can not be made a condition of political change even though such separation should be the ideal course for Indian nationalists to adopt. Secondly, it is impossible for the currency authority of any country to be entirely independent of the political authority, should the latter choose to influence the working and administration of the former. Thirdly, the discrimination of a currency authority operates along an economic and not a racial division. It is futile, therefore, to insist that India must set up a currency authority independent of her political machinery before she can demand political autonomy from Great Britain.

The number of reasonable safeguards in the financial field which Indian nationalists should offer to grant Great Britain thus reduces itself to three. As regards the pay and pension of British officers, the All-Parties Committee had already recommended a national pledge in this behalf and whenever necessary, such a pledge may be renewed. Nor need there be any difficulty in ensuring a due and proper service of the foreign debt of India. In any instrument

of mutual treaty-making a definite stipulation that this debt service shall be borne on the consolidated fund section of the national budget may be easily provided. Regarding transfer of India's reserves in London various safeguards may be suggested. But probably the best one would be a stipulation that no transfer of bullion shall be made when the bank rate in London rules higher than a particular rate. Probably this index rate can be fixed at six per cent. From nationalist side such a restriction on India's freedom of financial operation is likely to be seriously criticised; India, it will be said, has her assets in London and she should have complete freedom to draw her assets in gold to India at any rate and in any quantity she chooses consistent with her own economic interest. Such a contention opens up a flood gate of theoretical discussion into which it is not proposed to enter. It may be sufficient here to stress two facts that any exorbitant demand for gold on the part of India may lead London to suspend her gold standard. Secondly, there is an internationalism in high finance which Indian nationalism in the intensity of political feeling would do well not to challenge, even in its own vital interest.

The safeguarding propositions formulated in the foregoing paragraph represent in our opinion a fair adjustment of the claims of Indian nationalists and the vested British interests. In framing these propositions we have tried to read the history of the last 170 years of British rule in India in its proper perspective. It is a popular nationalist view in

this country that India has been a victim of wide-flung economic exploitation of Great Britain. Similarly there is a British opinion that it is British capital, British skill and British enterprise which has advanced India economically at least 100 years ahead of any other Eastern country. There is some element of truth in each of these opposite views but both to our mind are based on too narrow and too uncritical a study of economic history. A comparison between the India before Plassey with her present position is misleading and can serve no useful purpose. It is futile to lay one's finger on the flourishing cottage industries which India could boast of two hundred years ago. They belonged to an economic order which has fundamentally changed. There can hardly be any comparison of the prosperity of un-British India with the poverty of British India. One may regret the passing away of the old order but need not of the old prosperity. Whether the British ruled India or not, the old order would have changed. India has suffered grievously for the loss of her political power but much less for the British economic exploitation than is usually supposed. In the economic field the worst results of the British rule are due not to what the Britishers have done but to what they have failed to do. On the other hand, it is absurd for the shallow Imperialists to take too much pride in the fruits of British economic enterprise in India. Economic development of this country was not undertaken in a spirit of service for India. The motive and inspiration were chiefly egoistic.

What is still more remarkable is that the early years of British rule in India coincided with a period of transition to a new industrial economy all the world over. England being the pioneer in industrial revolution, British rule in India became fruitful of a greater economic progress than probably achieved by any other Eastern country. The credit that now belongs to Great Britain might have been claimed by any other Western people with whom India might have come in contact. Indeed the economic results of Dutch rule of Java have been far happier than of British administration of India. The massacre of Amboyna in 1623 changed the political history of India but her economic progress would have probably been the same or even greater without it.

CHAPTER IV.

DEMOCRACY OR NATIONAL GOVERNMENT?

Having arrived at a political understanding with Great Britain on the basis of Dominion Status subject to conditions for safeguarding reasonable vested British interests, the task of Indian nationalists may be said to begin for constructive statesmanship. The first question which the Indian politicians must set themselves to answer is "Shall India be a democracy." It may seem rather extra-ordinary that such a fundamental article of political faith should be so regarded as if its acceptance were a matter of doubt and debate. The European history of the XIX century furnishes examples of political movements inspired both by nationalist and democratic ideals. These have had profound influence on the political opinion in India. Most of the progressive countries of the West are also known to have organised their governments on what is regarded as a democratic basis. Though not particularly critical or constructive in their ideas, it is natural, therefore, that Indian nationalists are all democratic in their political outlook. Anything else than democracy, it would indeed be said, is unworthy of Indian nationalism. Swarāj has been authoritatively defined in the well known words of Abraham Lincoln, as government of the people by the people for

the people.* Alluring as the ideal theoretically is, it is its practical application that we are concerned with. And if democracy, as we shall have occasion to examine later in this chapter, is on trial to-day, the challenge is not against its ultimate meaning but against it as a working form of government.

The first implication and probably the essence working of democracy is the widest possible extension of voting power. Each adult a vote, that is the maximum and unfailing limit to which most civilised countries have carried their process of electoral expansion. The size of the electorate is regarded so fundamental an element in modern democracy that the more restricted the franchise is, the more is the constitution regarded to fall away from the democratic ideal. Should Indian nationalism decided to do its fullest service to such an ideal, there will be an electorate of more than 100 million voters in future India. It is precisely a franchise of this dimension which the All-Parties Conference of 1928 recommended. Even the Simon Commission examining the electorate from a constitutional as distinct from a nationalist point of view have recommended that no less than 22 million men and women in India should be enfranchised. Any one desiring to envisage the widening of the electorate implied in these proposals need only remember that under the Act of 1919 not more than $6\frac{1}{2}$ million voters are on the roll representing 2.8 per cent of the total population in British India.

* Presidential address of Pundit Motilal Nehru at the Indian National Congress in 1919.

It has been estimated that no less than 70 per cent of the voters in the constituencies are illiterate, though according to the census of 1921 the literate male population above age 20 is recorded at 14 millions, a fact which warrants an inference that the male literate population alone of registerable age is not less than 9 millions.

These are the salient facts with regard to the size of the electorate constituted as it is to-day and far wider as it might become under proposals of extended franchise. . We should not altogether be surprised if an electorate of 100 million or even 22 million voters staggers some people's imagination. But it must be recognised that no electoral machinery need break under the weight of number. The extension of British woman's franchise in 1928 by the passing of "Flappers' Bill" has, we believe, widened the electorate from 22 to 27 million voters. There are 615 members in the British House of Commons and the elected members of all the provincial legislatures taken together would aggregate 525 in number which undoubtedly admits of further increase. If for 615 members of the British House of Commons an electorate of 27 millions is one of manageable size, it is arguable that an Indian electorate of at least 50 millions need not break the electoral machinery by mere weight of numbers, if the size of provincial legislatures is increased from a total membership of 525, say, to 1000. The electorate of the central legislature stands no doubt on a somewhat different footing. The size of the popular house cannot probably exceed a membership of 500, this being also the

figure suggested by All-Parties Committee. For 500 seats an electorate of 50 million need not be regarded as unthinkably large seeing that each member of the lower house of federal government in U. S. A., represents no less than 2,00,000 voters. Indeed it is arguable that whether with regard to the provincial or the central legislature, the placing of even 100 million men and women on the roll, accompanied as it must be by a drastic increase of the size of the legislatures, will not result in overcharging the electoral engine; the administrative difficulties of conducting an election will largely multiply, but means may not be altogether wanting for sustaining the administrative pressure.

It is in any event unthinkable from the nationalist point of view to seek to determine the franchise of a people with reference to the exigencies of an administrative character. Indian politicians have, as already stated, expressed themselves in favour of adult suffrage without distinction of sex. It suggests to us that the decision of the politicians has been taken without much thought and probably under an illusion. In their supplementary report the Nehru Committee in supporting their proposal of adult franchise record their view that "the average Indian voter understands his business and that he can form an intelligent opinion on matters that affect him directly." This remark probably offered in a spirit of patriotic self-complacence is however in our opinion the opposite of truth. The sweeping victory of the Swarajist party at the

polls in 1923 and 1926 may be thought to lend colour to such a complimentary view of the Indian voter. But it must be clearly recognised that between the leanings of political nationalism and the appreciation of the needs of constructive statesmanship there can be no comparison whatever. The one is neither the evidence nor the earnest of the other. The average voter in India, on the other hand, has only a dim sense, if any at all, of the meaning of his vote. He is not politically disposed; he takes little interest in the current administration, he has neither the opportunity nor the political or literary education to be able to judge the policy or the actions of the State. What is still more fundamental, he has yet to learn that he may, far less that he can, influence the will of the Government. Herein lies the incipient danger to the Indian body politic from an unappreciative voter. It has been said that the average voter in no country can be credited with much political wisdom or informed opinion. Indeed, they cannot; in this respect probably the average voters of all countries are substantially on a par. Where, however, the Indian voter is sharply divided from others is that he has not real appreciation of his voting right. Apart from the absence of a democratic outlook with regard to political franchise, there is one other fact which accounts for the loss of any real value of the vote exercised by an average Indian voter. The entire rural community in India is still passing through a mediæval order. The social life in an Indian village is still a net-work of mutual

obligations based on status. It is not an easy task to fit in a democratic mechanism like political franchise with a system which is still preponderantly medieval in its outlook and composition. The rural agriculturist voter is mostly in the grip of the local representative of his landlord or the village *banian* or is led by the handful of educated persons generally of a higher economic standing, who resident in their rural home are always at the forefront of every movement in the village. It is small surprise, therefore, that the average voter in a rural constituency is neither independent in the use of his vote nor is he prompted by any other consideration than serving a particular person, under whose obligation he may be, in his public game. It is impossible to democratise a people politically so long as they continue to remain feudal in social organisation. The social system has no doubt fallen largely into decadence. Yet where the social discipline and age-old traditions rule, the state in India has not yet been able to penetrate.

The voting right of an average Indian voter does not only fail of its underlying political purpose but is not altogether an innocuous weapon placed in the hands of an unwary wielder. Devoid of its true political meaning, the exercise of the votes by the poorer classes will be liable to serious corruption. These votes, for instance, it will be possible to buy off for a nominal consideration and as on the one hand the victory in any electoral campaign will be certain with the support of a fat purse, so on the other an election contest will be increasing-

ly out of the reach of financial resources of all except men who are of very affluent means. In other words, a democratic franchise will lead to most undemocratic election under Indian conditions. The danger indeed will probably be far greater. For a people who newly come into power, nothing is more essential for the success of their political system than that best talent and best ability should be drawn into the orbit of their political life. And nothing is more calculated to militate against such a development than an electorate consisting largely of voters unappreciative of the voting right and ever disposed to sell it for a mess of pottage. It is palpably perilous that power should be given to those who do not realise its proper value. When votes are recorded not for political purpose but under other extraneous influence, clearly a democracy must cease to function. Where votes are not an expression of political opinion, an widespread franchise not only lacks its positive justification but negatively carries its own condemnation as a potential source of interested exploitation. It is one thing for a popular government to live on honest trials and experiment, it is a different thing to live on exploited indifference of the masses.

Broad franchise is a theoretical fad which in our opinion need not be necessarily satisfied in every popular or democratic government. The emphasis on individual voting right as the essential condition of a democratic government is derived from XIX century liberalism. It is an heritage of thought which grew out of a

world which is entirely transformed. The conditions of the problems of political life which John Stuart Mill wrote about or which a Russell or a Melbourne attempted to solve were comparatively speaking simple. The standard of living was then low, the prices had not risen high and except a few taxes which still survived the XVIII century for the benefit of vested interests and a few thousands of sweated labour, the life of the community in all normal times was spacious enough. The duties of the state were few and the field of government was limited. Economically, society was composed largely of a homogenous population and such inequality as existed among different elements was attributed to the political impotence of a large section of the population. Hence emphasis was laid by the politicians and philosophers of the last century to secure to every citizen a voting right at political elections. But much of the old conditions has changed. Men and women in the modern world seek a fuller and a more varied realisation of their lives than what they did even fifty years ago. Freedom, therefore, which alone can secure such realisation is a far more complex problem for the modern state to promote and what is still more remarkable, the voting right of each individual does not necessarily secure this freedom. The happiness of the community is required to be promoted by wise administration. In other words, under the altered economic conditions of present-day life, democracy is less a constitutional than an administrative problem.

The objection against restricted franchise is thus stated by the Nehru Committee "a Parliament elected on narrow franchise is a menace to stability than a parliament elected on a wide franchise. A comparatively small class dominating over Parliament looks after itself and largely ignores the interests of others and thus gives rise to disaffection and discontent which may become a great menace to stability of good government and society." We are little amazed at this sweeping interdiction. Unfortunately the Nehru Committee failed entirely to read the lesson of political developments in the West of the last fifty years. If there is any thing more potent than every other thing in the world which robs a political organisation of its stability, it is not the absence of unrestricted franchise but economic inequality. As Prof. H. J. Laski puts it "It is not only men think differently who live differently; it is especially that men think antagonistically who live so differently. That antagonism is bound to result in violence. There cannot, in one word, be democratic government without equality. For the real meaning of democratic government is the equal weighing of individual claims to happiness by social institutions. *A society built upon economic inequality cannot attempt that sort of measure.*"* It is obviously futile to attempt to stabilise a political order on the basis of an wide and unrestricted franchise. The causes of social instability lie far deeper in the economic organisation which the mere

* Vide Laski's *Liberty in Modern State* : p. 204 (Fabes and Feeber) 1930.

voting right at a political election cannot hope to alter.

One more argument in favour of an wide extension of franchise in India is based on practical as distinct from theoretical consideration, examined in the previous paragraph. It is recognised that the bulk of the Indian population lack democratic outlook and political education. But it is contended that the best way to democratise their outlook on life and to educate them politically is to extend to them the voting right with as little reservation as possible. This view derives much of its popular support and apparent convincing character on a mistaken analogy that no education can be acquired except through a process of making mistakes. It is, however, one thing to hold that all education is a continuous process and a wholly different thing to suggest that even men and women who are not accustomed to think in political terms will one day develop into self-conscious members of a democratic society as a result of the repeated exercise of their voting power. Such a development is bound to take place but quite independently of the exercise of voting rights. Extend franchise by all means to a larger and larger section of the community as political consciousness filters through it. But do not do so only to satisfy theory or seek to justify adult franchise on the ground of its educational value. Our objection is based largely on practical consideration which have been stated at length. Theoretically also we have tried to indicate that an wide and unrestricted

franchise is not the essence of a democratic government under modern conditions.

We feel, however, we can go a step still further. Democracy as commonly understood is by no means the last word either in political thought or practice in the West; nor is its common application particularly agreeable to the ideals and age-long traditions of Indian social organisation. Turning to recent European history, it is indeed a fact, as the Nehru Committee have stressed, that with two notable exceptions all the post-war European states have adopted democratic governments. But what the authors of the All-Parties report seem to have over-looked is that in a very large number of states such governments have not worked with success. In Greece, in Poland and in Spain, dictators have long held power subverting the entire government. It is moreover a significant development in democratic constitutions that the Presidents of many modern republics have been charged with powers which would have shocked the republicans of the last century. Political thought more than political practice in the West seems to have moved still further away from democracy. In the first place, the idealistic basis of modern democracy that a government is the expression of good will common in every member of the society has been seriously challenged. A pragmatic view has come into vogue where idealism prevailed. A modern government, it has been contended, is not sustained by a common will but by a common need. Men are not discrete or for all purposes mutually exclusive

individuals; on the other hand, they are concrete personalities with varied interests sharing one or other of them with some or other members of the society. While it is still acknowledged that a government exists to promote individual happiness, individuals with their "real will" are no longer regarded as suitable instruments of government. The group should replace the individual. This is the pragmatic revolt in modern political thought.* Into the extremely interesting development of this thought in various channels we need hardly enter here. It is enough for our purpose to recognise that nationalist India has no reason to feel discredited if she cannot establish a "ballot box democracy" in its logical dimensions and full-fledged character.

This discussion clears our way to the formulation of constructive proposals regarding franchise. If it points to any conclusion, it is this, that political suffrage should be granted not with an eye to the electorate bearing a certain pre-conceived ratio to the total population. It should be extended only to those who can use it for the purpose intended. A necessary condition, therefore, which every voter must satisfy is the possession of a minimum standard of education. To quote Laski again "We live in a big world about which, at our peril, we have to find our way. There can under these conditions be no freedom that is worth while unless the mind is trained to use

* Interested readers are referred to W. Y. Elliot's *Pragmatic Re-action in Politics* for a detailed study of the subject.

this freedom. We cannot otherwise make explicit our experience of life and so report the wants we build upon that experience to the centre of political decision." In other words, suffrage is a meaningless superfluity if not exercised by an understanding mind. This minimum educational qualification should in our opinion be fixed at nothing below the middle English standard. This test applied without discrimination of sex will enfranchise the bulk of the urban adult population except those who though earning their bread in town are ultimately connected with their village home and form a part and parcel of the vast rural community. Here also the persons of minimum educational qualification will acquire franchise in their individual right and the rest we propose to bring within the electoral orbit by organisation of the rural areas into *Gram-Panchayats* each voting as one. There are altogether 5,000,00 villages in British India and there should accordingly be roughly speaking 10,000,00 corporate voters representing the rural interests. It is estimated that by their own educational qualification not less than 30,000,00 men and women can be immediately placed on the roll.

This must, however, be regarded as only a rough scheme of electoral organisation. Numerous minor adjustments will probably have to be made. But the two distinctive features must stand prominently out; individual voters irrespective of sex must acquire franchise only by a minimum educational qualification and by that test alone, secondly the rural population

falling below the prescribed educational standard should exercise their voting right not individually but collectively as an organised group. It is our suggestion both as a matter of ordinary fairness and to represent the disproportionately large numerical strength of the villages in relation to towns, that each rural group vote should count as ten votes. It may be asked why even a system of group voting is advocated for their franchise individually. The reasons are these. In the first place, the rural opinion will be better expressed through group voting than by individual voting in that while the free discussion for a collective purpose will crystalise into some reasoned opinion, the individual voter acting on his single responsibility will be a prey to his own ignorance. Secondly a group voting agrees more accurately than individual voting with the time-honoured method of disposing of public questions in the rural life of India. Thirdly, such a system answers exactly to the trend of modern political thought as referred to before. Lastly, and this is a consideration of vital importance, it is essential that group life of the old India should be resuscitated as a part of her new political system both to serve as an effective instrument of government as also to promote common good in a large sphere of social life which, it seems to us, must ever remain outside the cognizance of a political authority in India.

Here we probably strike a note which ~~should~~^{may} persons who are not considered fit to exercise provoke much careful thinking. The tendency in the West has been for the political life to

undergo a constant expansion, until the state has indeed become, in a sense other than Hobbes meant it, a Leviathan. Its authority extends to every conceivable phase of human life and activity. It revises the prayer book; it allows and disallows marriage with deceased wife's sister; it prohibits begging; it provides for housing of the poor; it has prescribed the length of apparel and it will probably compel observance of the Sabbath. It is not however, suggested that the state in the West is unduly aggressive on private liberty. Traditionally the political authority has been pressed into a far larger service of the community in the West than in this country. And the distinctly economic orientation of the society has rendered the process inevitable that political authority should assert itself in a larger and larger sphere. Faced with modern conditions of life, a national government in India also will probably have to extend its activity much wider than at present. Yet the fact must be borne in mind that the moral and religious culture, which specially distinguish the lives of Indian people, cannot be fully regulated by a political authority even if national in origin and character. As the well-known political thinker puts it,* "The work of such association as churches is different in kind from work done by political organisation. The inculcation of moral ideas and safe-guarding of conditions of good life are complimentary functions. But that does not make them iden-

* A. D. Lindsay, Master of Balliol in lecture on Political Theory in *Recent Developments in European Thought* (Oxford) p. 180.

tical." If this can be the political theory generally stated, Indian nationalism must take a special note of it in order to plan the future of political life in this country. The extra-political social life in India can be best maintained by the resuscitation of the rural organisations which when fitted to the political system will serve their cultural purpose all the better. We do not propose to examine here any detailed scheme of these proposed rural organisations. For such examination is beside the general plan of our study. But of the possibility of their organisation there need be little doubt, at least far less than that of whirling 100 million men and women in an electoral wheel.

Yet the qualms of popular nationalism will be hard to suppress. Unfortunately the glamour of shallow democracy still continues to allure our popular imagination. The infinitely more profound view of democracy is yet to dawn; that it is not, as Miss Follet* describes it, 'a sum in addition'; that it consists not in equality of suffrage but in the organisation of equal opportunity for all in life. A number of penetrative critics of the democratic institutions in the West, Graham Wallas, Norman Angell, Lippman have themselves exposed how the public mind expresses itself under democracy and how public opinion is gulled and exploited by news-making machinery. It were time that Indian nationalism be disillusioned of a democracy of numbers; let it take the warning lesson from the West which is learning it at its cost.

The Indian ideals of life inculcate a spirit of

* *New State* by Miss. M. P. Follet.

democracy. To that spirit India must live up again. But politically what India is in need of is a nationalist government and not a democracy as commonly understood. Such a government must sweep down social and sexual 'depression,' should provide mass education, should even see that none gets a cake before others get their bread. In other words, we must be democratic in future without, however, organising ourselves as a democracy. Statesmen and better mind in India must secure to the society that passion for common good which suffrage and 'public opinion' were intended automatically to promote. In discarding a wide democratic franchise as the basis of nationalist government in future India, we cannot do better than quote what one of the best critical exponents of Indian culture has remarked.** "In the minds of many of our leaders, antagonism to British rule is strangely mixed up with the love of British institutions. We are violently Western in some moods, violently Indian in others. We are burdened with uncertainties, with chaos in our mind." To state our point of view in fundamental terms, owing to the complexity of modern life, what is particularly required is a *wise* and not *self*-government. An alien government cannot be sufficiently wise owing to its intrinsic limitations. And it is with reference to this that a good government is no substitute for self-government.

** Prof. S. Radhakrishnan in his Punjab University Convocation address, Dec. 23, 1930.

CHAPTER V.

THE STATES AND THE PROBLEM OF FEDERAL ORGANISATION.

The creation of a suitable electorate, as attempted in the last chapter, disposes of the problem of transfer of sovereignty of a national Indian state. But there are two more conditions with which the task of building up a new political fabric in India is beset. The one relates to an agreement as among the different Indian communities; the other relates to an understanding with the Indian states.

It is useless to criticise either the nationalist attitude in British India towards the states or the attitude of the Princes to Indian nationalism until a very recent date. Whatever they might have been in the past, the Viceroy's statement of October 31 (1929), followed by the stage-setting for Round Table Conference has completely changed both these attitudes. The process of transition is interesting and is worth following in some detail. The nationalist opinion as represented by the All-Parties Report did not seem to have formed a correct opinion as to the real nature of the problem of the States in relation to the British Indian politics. Right down to the All-Parties convention held at Calcutta in December 1928, the assumption of the Indian politicians seems to have been that their political demand is in no way conditioned by the existence of the Indian States;

that in fact in any proposal of political advance affecting India as a whole, the British India held the whip hand and it was for the States to adapt themselves as best as they could in a new order of things. On the other hand, until the Butler Committee disillusioned the Princes by its doctrine of absolute paramountcy no legal ingenuity was left unexplored by which the pace of political advance in British India could be arrested. Happily, however, both the Princes and the politicians have transcended their old narrow vision. Big decisions, like big events, cast their shadow ahead. Though the Butler report was presented to the Parliament in April 1929, the disappointment of the Princes with the report is writ large in the proceedings of the Chamber of Princes, held in the previous February. The chief resolution of that session of the Chamber conveys sympathy with the political aspiration of British India but asks, in effect, for an assurance that the States should be made a party to any settlement which the people of India might make with the British Government. A series of notable utterances of the Princes made both before and after the Viceroy's statement reflect with clearer emphasis the same changed outlook on British Indian politics. The Nawab of Bhopal, the Maharaja of Bikaner and the Maharaja of Patiala all expressed the view that the Indian States have no right to act as a drag on India's demand for Dominion Status. They all welcomed the federal idea.

Indian political opinion has been very slow to grow on this point, obviously because the

problem of the Indian States, as already remarked, was not seen in clear perspective by the leaders of political opinion until very recently. The Nehru Committee in 1928 flung out federation, if we may put it so, as a kind of condescending offer to the States involving radical reform of their internal administration. Such an offer could not be readily accepted; nor was it seriously made. This lukewarm attitude of the Indian politicians to the States and the federal idea remained practically unaltered even after the publication of the Simon Report until a first rate politician like the Hon'ble Mr. Srinivas Sastri declared himself an eleventh hour convert to federation on the floor of St. James' Palace. A federation of British India and the Indian States has, it appears, been accepted at the London Conference with an overwhelming measure of support. But it is still open to doubt if public opinion in India is sufficiently convinced of its value and importance. In its intransigent demand for political advance, what the nationalist India seems to have overlooked is that with the one-third of the country outside British India, the States cutting across its geographical continuity at innumerable points, no statehood can result for the latter either from economic or strategic point of view. And what is still deserving of appreciative recognition is that no nationalist government can step into the shoes of the British paramountcy in its dealings with the Indian States. The choice in this respect that a nationalist India must make in realising her

political ambition is clear; either she must absorb by force these Indian States completely in her new political system or bring them within her constitutional ambits with their free and willing consent. The first course being unthinkable, the only method left open to the nationalist India in dealing with the States is to seek their willing participation in a common constitution. Now, such a participation is only possible on a federal basis. For it is the essence of a federal system that it embraces within it a number of autonomous governments consistently with a common government for them all. It reconciles local autonomy with a central control. What obviously takes place under such a system is a division of the sphere of government between the central and the local authority. From the sphere where one rules the other retires. It is such a constitutional arrangement which would secure to the states their cherished internal autonomy consistently with their participation in a common national government with British India. As a member of the all-India federation, well may an Indian state exclaim, as indeed the Maharaja of Patiala has done, in the words of Rudyard Kipling:

Daughter am I in my mother's house
But mistress in my own.

This exposition of federalism is not intended to be scientifically accurate. But it should serve sufficiently to point to the conclusion that the path of national government lies through a federation. The Indian politicians seem to have accepted this conclusion somewhat grudgingly and doubtfully. What they seem to have

at the back of their mind is a fear that federalism might let loose a centrifugal tendency in the political life of future India. Disruption and dismemberment have been the undoing of political stability of India in her past history. And it has been argued that an weakening of the hold of the central government over the provinces or the States, as a federation will undoubtedly imply, will give rise to a tendency of these local governments to move more and more away from the centre. Such an apprehension springs, we believe, partly from an ardent nationalism but partly also from a far-sighted suspicion that should provinces be made completely autonomous in their sphere there shall remain no corrective against the tide of communalism in the Moslem-ridden provinces. It appears to us that under the changed conditions of modern politics the danger of disruption need not be seriously taken. The communal danger, however, is real. But it is futile to attempt to guard against this danger by the constitutional subordination of the provinces to the central government. No such central authority can function to intervene frequently in the affairs of the provinces in case they are habitually in the grip of communal excesses. Whether unitary or federal the government of future India may be, a self-centred policy of serving a community is bound to break any political system, provincial or central, in the long run. No remedy lies against it in the check and balance which a constitution may provide.

In any event, the case for a federation rests

on other grounds no less compelling than that of fitting in the Indian states with the British Indian provinces. A modern state largely exists to promote certain economic policies. In an era of world economy, nothing is robbing more the millions of Indian men and women of their happiness than their poverty. One of the first things to which a national government in India must address itself on its establishment is a rapid programme of economic development. Such a programme in the dimension and intensity required can only be carried out by a local authority. It is arguable that it is open to a province to discharge this responsibility even with large devolution of powers from the central government. We refuse to yield to such an argument and for this obvious reason. Unless the responsibility of the province is complete, unless it knows that it is solely accountable for all policies in certain sphere of government, it can neither formulate any bold line of action nor plan out its own programme of government with sure knowledge of co-ordinating means to an end. Moreover, the provincial government must have for the discharge of any responsibility other than the elementary its own field of taxation and source of revenue. To put the matter in a homely though somewhat crude language, the provincial government cannot function well with a blank cheque but must sign its own. Apart from the programme of intensive economic development, the people of the various provinces generally speaking represent diversified outlook with regard to certain vital matters,

such as education, art, agriculture, industrial development, local self-government and even public service. Such diversity in outlook, which it is not possible to discuss here at length but which is nevertheless real, is attributable to a combination of historical and local conditions in each province as also to a real difference in the mental characteristics of the people themselves of various provinces. In the interest of national self-development it is necessary that these differences should grow and deepen. And such distinctive development is only possible under a political status of the provinces which a federation alone can give.

A recent writer* examining the Australian Government has returned a verdict of failure against a federal constitution. He has mainly argued his case with reference to Australia but the theoretical position he has taken up would seem to admit of a much wider application. We would pause to examine here only one of his theoretical objection against the federal system. In effect, the writer suggests that a responsible government is not workable in conjunction with a federal division of the sphere of government. For, the executive may be held answerable for anything done or undone in a sphere which is constitutionally outside the limits of its government. Against such a charge we can only point out that this is not the only circumstance in which a responsible executive has to walk out of office for no fault of its own. Such a cabinet crisis, when it happens, reveals

* A. P. Canaway in *Failure of Federalism in Australia* (Oxford) 1930.

not the limitation of a federal system but the weak point of a responsible government. On the other hand, the charge can be brought against the unitary system in that responsible government is not workable in any of its subordinate spheres unless the devolution of power is so complete as to make the government in point of fact a federal one.

The Australian experience is still of value to us in one respect. The extent to which a federal machinery has proved impotent to give effect to important national policies has been due to the States or the component governments in Australia enjoying wide and residuary powers and the Commonwealth government only narrow and limited powers. Such a distribution of power is hardly the essence of a federal government; nor need it be attempted in India. Moslem opinion in this country has unfortunately been insistent that residuary powers under the Indian federation should be held by the provinces. In co-ordinating the Indian States with the Indian provinces in a federation such a distribution of power is an obvious constitutional advantage. For, the larger the powers the provinces will enjoy, the more closely will they approximate to the status of the States thus making for the equality of the component governments, so essential in a federal organisation of the states. Yet in the more vital interest of India the field of the provincial government must be so limited as not to extend to an area which might advantageously belong to the central government for the due discharge of its responsibility in its more

recognised sphere. Particularly, all residuary power should belong to the centre. The reason is this : under modern conditions the economic safety of a people depends very largely on the constant adjustment of the national economy to the world economic forces. The field of the national or central government is, therefore, relatively far more important than that of the local sphere. It is only two countries in the world, U. S. A., and Australia, where wide and residuary powers of government belong to the local in preference to the national government. The former has not yet felt the weakness of her federal organisation, as until very recent times she was dependant on her internal rather than an external market. As regards Australia she is already paying the penalty of her too close an imitation of the U. S. A. model. It is, therefore, with great caution that such flamboyant expression as the United States of India should be used. It is a misleading description of the kind of federation which India can ever grow into. Wide and residual powers must on no account pass into the component governments in India. The Moslem opinion in advocating a strong provincial government overshadowing the centre has no doubt been prompted by the voting preponderance which the community hopes to enjoy in Bengal and the Punjab, as also in the new provinces of Sind and the North Western Frontier province and conceivably in one or two other newly provincialised areas with a Moslem majority in population. The opposition to federation and the insistence on the

residual powers for the provinces are the two linear ends of the same communal situation which, as we have already remarked, must not deflect us from the right path of sound constitution-making.

The problem of federal organisation, however, still remains. How, in the first place, the two different political systems, the democratic constitutional governments of British India and the personal governments of the Princes and chiefs, are to be blended in one common system? Sir P. S. Sivaswamy Aiyar puts it* forward as a constitution requirement of a genuine federal system that the governments, both component and common, should be of a responsible character. We venture to dissent from this view. There is no historical precedent of an irresponsible government in a federal state. But all the same the system does not imply that responsible government should be practised either at the centre or in the perimetre. The essence of federalism lies in the relation of component and common governments in their division of powers and not in the intrinsic character of any of them. In India, the difficulty arises not on constitutional grounds but on political considerations. The fundamental fact underlying the organisation of a federal system in India is the establishment of a national government. Shall or shall not such a government ask for safeguards for the rights and liberties of the people of Indian States? The Nehru Committee asked in effect

* *Indian Constitutional Problems* (Taraporevala) 1928, p. 227-8.

for a radical reform of the internal governments of the States. Sir P. S. Sivaswamy Aiyar lays down equally hard conditions for the Princes to satisfy in order to entitle themselves to the sympathy of the British Indian people.** The point that we desire to stress here once again is that it is essential for British India to bring the States within the fold of her new constitution in order to attain Dominion Status. But to demand much from the Princes when joining the federation is to provoke their rejection of the federal offer and thus necessarily deferring India's attainment of dominion autonomy. At the same time, to waive the demand completely is to stultify the nationalist character of the Indian political aspiration. The path of the realistic statesman seems to lie in exploring other channels for the safeguard of the people's rights and liberties in the States. It appears to us that such a safeguard of a fairly dependable character can be secured by a declaration of certain rights. A resolution of the South Indian States Peoples' Conference held in Travancore on the 14th January, 1929 advocates the following rights of the States people : (1) freedom of speech and liberty of the press ; (2) freedom of meeting and association ; (3) freedom of worship subject to public order or morality ; (4) right to a writ of *habeas corpus* and open trial before conviction. If to these rights be added a guarantee as to the security of private property, we venture to feel that most elemental rights of citizenship shall be

** *Ibid* p. 254.

secured for the people of the States. Some of the rights which the Nehru Committee recommend, such as free primary education or social legislation like minimum wage or old age pension are clearly outside the financial competence of most States to guarantee. The line of least resistance having been adopted, it is best not to embarrass the Princes with any avoidable multiplication of their obligations. But whichever rights are decided to be secured, their declaration should be embodied in the instrument of the federal constitution and not be made by individual rulers of the States. These fundamental rights must further be made enforceable judicially and as in most States there is neither any rule of law nor any representative institutions, an appeal on the breach of fundamental rights should in their case lie in one or other of the Provincial High Courts. It is not possible, in our view, for the Indian nationalists to ask more from the States for their people. We have already stated what our apprehension is in this respect. The burden of securing an increasing measure of political advance in each State should fall on the people themselves of the respective States.

To turn to a second problem of federal organisation. Most States now possess a very much wider sphere under their internal government than is allotted to provinces at present or should be allotted to them according to our view even under a federal organisation. Clearly, therefore, an inequality shall result in the status of provinces and States as component units of a federal government. Consequentially

there shall emerge a sphere of government at the centre in which the provinces will be interested but the States will not. How can then the two classes of governments of unequal powers, provinces and States, participate in the organs of a common central government? It has been suggested as a sort of remedy against this anomaly that the representatives of the States should abstain from discussion and voting when matters exclusively of interest for the provinces come up before the central legislature. A large consensus of opinion has gathered round such a view. But we find ourselves in a difficulty to fall in with it. On the basis of population the States are entitled to a representation of twenty-five per cent of the total seats in the legislature. It would be a large *bloc* of the House and it would clearly impair the homogeneity of the outlook and composition of the legislature, if twenty-five per cent of members have to be added and to retire off and on in course of the debate. Nor can we think the line can be clearly drawn where the interests of the States end and those of the provinces begin. If it is open to a member from the Punjab to question the government about a strike in Behar, how can a member from Mysore be debarred from raising a debate on the hardship of income-tax assesses in Bengal. To decide jurisdiction with reference to local character would be absurd; other formulas would be equally bad and are bound to break on application. The fact is that the States as they are to-day have only few points of contact with the rest of India and their representation at the

federal legislature would not be justified except for casual adjustments of conflicts with the rest of the country. It is impossible to organise the States and provinces federally into a really cohesive system until the former surrender a good part of the government now under their internal autonomy. The conclusions arrived at the London Conference would clearly indicate that the States are agreeable to part with their existing powers. Such a sacrifice they must make, and in our view they should, in point of their constitutional powers, fall substantially in a line with the autonomous provinces of federal India. Such equality of status will entitle them to admission of their representatives to the central legislature on absolutely the same footing as the members from the provinces. Complete parity in the field of government between the States and the provinces will probably be impossible to attain. But so long as it is substantially established, no distinction in the position of the two in any organ of the central government should mar the unity so essential in the sphere of India's national government. In a later chapter we propose to return to the division of powers between the central government and the provinces with such special adjustments as may be called for in the case of the States. Meanwhile we have here the principle accepted that on constitutional grounds the States can only be adapted to a federal system by a whittling down of their present powers held under treaty rights.

But even here the problems of a federal organisation do not end. The very weight, of

numbers of the Indian States would seem to render a federal structure impossible. There are altogether 562 States. And the problem presented by their number is further complicated by the remarkable variation in the size and area of these states. On the one end of the series is the State of Hyderabad with an area of 82,700 square miles and with a population of 12,500,000 and on the other, there are small holdings in Kathiawar covering only a few acres of land and with a population less than that of a district headquarter station in British India. The difference as among these States in their political character may be neglected entirely. As already the view has been expressed, subject to such safeguards as have been suggested, there is no difficulty for the nationalist India to bring all the Indian States into a fold of a common constitution irrespective of their political complexion. But the problem is 'can the 570 states constitute themselves into a federation.' There is no parallel of a political experiment in federalism on such a colossal scale. It is an essential principle of a federal constitution that its component members must be regarded as equal. The upper organ of the federal legislature is usually the sphere where the equality of constitutional status is recognised. Such equality is also operative with regard to the procedure for constitutional revision laid down in the instrument of government. It is no doubt open to India to be bold in her constitutional experiment and to try to hold together 570 autonomous governments on a federal basis. But it is certain that centrifugal tendencies will be

most actively at work in a central government composed of such multitudinous units. But even if it were possible hypothetically or as a matter of political wisdom to make such an experiment, it is obvious that the constitutional equality of many hundreds of small States will not be conceded to by the larger States and by the British Indian provinces in any scheme of federation. A little reflection will convince any one that such an attitude on their part is entirely justified. If there were to be a federation in India of 570 States equal in status, all the British Indian provinces and the major states taken together will be vastly outnumbered by the smaller governments. A lower house of federal legislature organised on the basis of population will be sharply in conflict with the upper house organised on the principle of equality of component governments; the policy of the lower house will probably be thwarted by the upper in every matter where the latter shall have revisional jurisdiction. What is still worse, should the upper house have any exclusive jurisdiction in the federal government, it is the fifty acre states which will determine the national policy. It is arguable that India may break an altogether new ground in federal constitution. The equality of voting right of every component government might not be a feature of the future Indian federation. Yet a federal legislature organised on the basis of population alone will be no less embarrassing. Should the smallest Indian States be allowed to elect even one representative to the federal legislature, the aggregate strength

of such a body proportionately representative of the other states and provinces will break the federal government by sheer weight of representation. The conclusion, therefore, is irresistible that the 562 states that are in India cannot join an Indian Federation singly both because the British Indian provinces and larger States will for obvious reasons be opposed to such a federation and also because it is practically impossible to evolve a constitution on such a basis.

Sir P. S. Sivaswamy Aiyar* in an address before the Indian States' representatives in Bangalore on August 20, 1930 expressed the view that the future government of India should be unitary in respect of British India but federal in relation to the Indian States. Whatever the object may be underlying such a proposal, it is obviously impossible to translate it in a constitutional frame-work. For one thing, the emergence of British India as the disproportionately largest political interest in the federation renders the task of constitution-making particularly difficult. The fact is that from a constitutional point of view the crux of the problem of an Indian federation is the large number of small holdings of chiefs and Taluqdars which, however impotent they may be politically, are nevertheless outside the British Indian system. Legally these small states are distinct units. But they are too small and too numerous for any federation to admit them to membership singly. Whether a federation

* Published in *Servant of India* dated September 4, 1930.

in India is composed of the British Indian provinces and the States or of British India on the one hand and the States severally on the other or of the two systems collectively together, a process of organisation of the small states for the purpose of federal representation at any rate is unavoidable.

Of the total number of 562 States, only 40 have treaties with the British Crown; a larger number possesses some form of *Sanads* or engagements with it; and the remaining host has been recognised in a variety of ways, all purporting to executive action. In formulating a scheme of federal organisation, it would be unfair to proceed upon the basis of origin of power of the various states. The size and the measure of internal autonomy enjoyed by them would probably serve as better data in this behalf. Without re-opening the whole field for a fresh classification of the States, we may as well for our present purpose base our proposals on the constitution of the existing Chamber of Princes. In it 108 States are represented in their own right, 127 are represented by only twelve members and the remaining 327 are entirely unrepresented. We would suggest that the second and third group of States should be represented in the upper house of the federal legislature by 15 and 3 members respectively. The first group in our opinion should be represented by 57 members, each treaty State, however, being allowed to elect one representative irrespective of its area and population. It will have been obvious that the equality of component units of the federation has been

largely sacrificed in these proposals. But in the special conditions of political life which the presence of small states have brought into being in this country, it is impossible to provide for the better safeguarding of State rights than what we have attempted to do here.

The question will be asked what will happen to the forty treaties and the innumerable *Sanads* and engagements which the Indian States hold from the paramount power. The constitution of national government which the Indian States Peoples' Conference of 1927 adopted provided for the nullification of all existing engagements guaranteeing at the same time the dynastic rights and personal privileges of the rulers of the States. The Nehru Committee criticised these proposals as inconsistent. From the rulers' side also the suggestions are likely to be regarded as attempts, in effect, at expropriation. We are unable to share either view in its entirety. Whether the treaties and other arrangements are formally nullified or not, the rights of the Princes and rulers are bound to suffer diminution consequent on the entry of the States in a federation. Once they are brought within the fold of a federal constitution, these treaties will obviously cease to have their old meaning and force. Yet in so far as the dynastic privileges of the rulers are concerned, the treaties and other arrangements will still remain significant and valuable documents. It would certainly be more statesman-like for the nationalist India to recognise the treaties subject to the constitution than to repudiate them guaranteeing the rulers

at the same time their dynastic rights in the constitution. The Princes themselves attach considerable importance to these treaties and so long as their *status quo* is not inconsistent with the demands of a federal constitution it is not necessary to disturb them in point of form, far less even slightly in substance. What would be particularly necessary to provide for is the supremacy of the constitution above the treaties.

CHAPTER VI.

PARTIES AND COMMUNITIES.

The second problem, next to that of the States, which conditions the nationalist demand for Dominion Status relates to a communal settlement. India is the home of two large religious communities, Hindus and Moslems. In a certain sense this religious division of the Indian population has been unfortunate from a political point of view. It has certainly complicated the initial efforts in embarking the country to a career of self-government. It is probably only fair to recognise that there is a distinct difference between the Hindu and Moslem culture, a difference which modern influences have not yet been sufficiently active in this country to tone down. Nor need it be forgotten that in the East religious faith has a far larger effect in determining man's ideals and ideas than in the West. To a certain extent, therefore, constitutional safeguards would seem to be called for in Indian conditions that none of the cultural systems represented either by Hinduism or Islam might suffer adversely at the possible coincidence of political power and religious predominance in the new order of Indian political life. The danger is particularly incipient in the provincial sphere. For, firstly it is the provincial government which will administer such subject as education and will generally be in charge of the varied forms of cultural

promotion among the people. Secondly, the communal proportion is widely dissimilar in the various provincial areas as they are now constituted. In the Punjab, for instance, the Moslem form 55.2 per cent of the population whereas in Assam only 32.3 per cent and in Central Provinces even a far lower proportion of 4.4 per cent only.

Here probably the critics will face us with a dilemma. If the cultural difference between Hindus and Moslems are so deep-rooted as to strain a political understanding, clearly, India's political nationalism is a myth; or if this difference resolves itself into a mere provision of suitable safeguards for cultural conservation, obviously a communal settlement should not be so hard to arrive at, as actually has been. There is undoubted force in this line of argument. What, however, such critics fail to realise is that the Moslem attitude ostensibly based on cultural ground is in reality determined by a lust of power. It is absurd to doubt the Moslem nationalist feeling; leading representatives of the community have asked in one voice with the Hindu leaders for the grant of Dominion Status. No stronger repudiation of any assumption to the contrary could be obtained than in the remarkable words of Sir Abdur Rahim.* "I know my community" said he "too well throughout India to entertain the least doubt that they no less than the Hindu community are thoroughly dissatisfied with present position and are eager

* Presidential address at the Bengal All-Parties Moslem Conference, December 23, 1928.

and earnest to secure a proper constitution and a worthy national status for India. India, in fact, is planning an opportunity to express herself. No self-respecting Indian, whatever his creed or caste, can be contented with India's position as mere possession or dependency of England." Sir Abdur Rahim is only a right-wing politician and is even regarded with suspicion by left-wing Hindu communalists. Yet his nationalism is transparent and absolutely above board. The line that divides the Hindu and Moslem politicians is not the line which distinguishes nationalism from what it is not. It is to a certain extent true that the greater hold of Islam on its adherents coupled with the fact that Islamic culture in its living form has been sustained by more than one political authority outside India have served to subdue the intensity of nationalist feeling among a large section of educated Moslems in this country. But after all, what is really at the bottom of the Hindu-Moslem difference is the heightened realistic sense of the Moslem community in comparison with the political idealism of the Hindus. While the vision of the latter is illumined with the radiant glow of a politically autonomous India, the outlook of the former is obsessed with the grim realities of a scramble for power which, they anticipate, will follow the withdrawal of the British control from this country. "Eschew all kinds of idealism" that is the chief burden of the Aga Khan's exhortation to his co-religionists in the All-Parties' Moslem Conference held at Delhi on December 31, 1928. The

ardent group of Moslem nationalists realised the fundamental weakness in this attitude adopted by the rank and file of the Moslem politicians. In a conference held at Allahabad on July 27, in the following year they decided to form a new Moslem party on the ground that "Moslem political activity is now confined under the auspices of existing institutions to winning political responsibility as the principal objective, and with freedom for the country as merely incidental thereto." A correct diagnosis of the malady by the patient himself though tinged with the irritation of a hostile limb. If discount is made for the exaggeration associated with a political dissent, it answers exactly to our reading of the Moslem pulse. While Hindus are too deeply stirred by the idea of freedom almost without pausing to think what it is for, the realistic Moslem politicians are thinking of it essentially in terms of political power.

Apart from what we are disposed to regard as a cultural bias in favour of realistic thinking, the Moslem opinion in India has also been demoralised by the policy pursued by the British Government in this country with regard to communal protectionism. The authors of the Reforms of 1919 recognised the incalculable harm which a system of communal representation is likely to cause to the healthy growth of a political life in this country. The mischief was done with the introduction of Morley-Minto reforms in 1909, when communal electorates were conceded for the first time. It is useless today to cry over the spilt

milk or to indicate in detail how the Government of Lord Minto set its face strongly against the considered view of a great statesman like Morley who strongly opposed the principle of communal representation. We must record here, however, one opinion. Even if communal electorates can have some justification now when India is entering a new career of self-government, such a concession was wholly unjustified or, if the expression be permitted, wholly unprovoked in the early years of this century. The Morley-Minto reforms inaugurated only scanty measure of representative self-government. The control of policy remained entirely with the British authorities. There was in those circumstances no question of Moslem culture being subject to any risk beyond what may be thought to be implied under any alien government. But the British Government realising its own limitations hardly interested itself in the promotion of religious and social culture of the people. And the Moslem community have been themselves content not to raise any alarm of cultural danger during the long years of British rule in this country. What was then the communal electorate created for? The Moslem deputation led by H. H. The Aga Khan which argued for the first time the case for communal electorate before Lord Minto in 1906 had only to point out that the Moslems were a large but minority community in India and their political importance is far greater than is represented by their numerical position. These premises, assuming them as correct, could only

establish the need for adequate representation of the Moslems in the legislature, if not in other electoral bodies. Such representation could have been secured by reservation of seats for the Moslem community. The deputation, however, was aiming at a still larger concession. They, therefore, went further and forestalling every possible objection to the proposal so near their heart expressed the view that a joint electorate would not serve their purpose; for under such arrangement, "only Mahammadans sympathetic to the Hindus would ever be elected.*" A more brutally candid plea for special political privilege could not have been presented. It was intrinsically a bad concession to make and a far worse one being wedded to communal enthusiasm. Yet in the name of British Parliament the plea was accepted and the principle recognised that a Moslem acceptable to Hindus was necessarily a worse political representative than one who was not. The reforms of 1919 afforded an opportunity to correct the old mistake and sweep away the communal electorate from the representative system in Indian political life. But the forbidden fruit of a special privilege was eaten once for all. The opposition will always be strong to the withdrawal of a privilege once it is granted. The golden opportunity of 1919 being missed, any discerning observer of Indian affairs could foresee the trend of development of Moslem politics in future. "The concession of this principle" wrote Mr. Lionel

* Vide Report of the Simon Commission, Vol. 1, p. 184.

Curtis in 1920* "is the greatest blunder ever committed by the British Government in India. I believe if the principle is perpetrated we shall have saddled India with a new system of caste which will eat every year more deeply into her life. The system has eaten into the life of the people so deeply that already it is not possible to abolish it at one stroke which might have been refused a few years ago." The communal problem in so far as it is a question of divestment of vested special privilege of the Moslem community is very largely the outcome of a mistaken policy of British Government in India.

There is still one other fact which has contributed to the narrowing of political vision of the Moslem community in India. Higher education has so far made only limited progress in the community. As a result the small circle of educated Moslems who constitute the political elements in it have benefitted immensely from their steady and somewhat easy absorption in Government services and in higher official positions. The policy pursued by the Central and the various Provincial Governments in the recent years for maintaining a communal equilibrium in the Government services has given a special impetus to this process of absorption. It is remarkable that this wider opportunity of the Moslem community in the services has coincided with the period of increasing political advance in this country. It is not unnatural, therefore, that in the Moslem

* Vide his work *Dyarchy* p. 441.

eye the political autonomy of the land has been popularly associated with a still wider opportunity of the community in the services. The Moslem interest in this aspect of political power, however, has developed into an anxiety and a morbid suspicion as to the future of the community on account of an obvious fact. As already remarked, until recent years higher education had spread only scantily among them and the field of services and higher official positions was accordingly being held overwhelmingly by the members of the Hindu community. The leeway in education and general progress is decidedly against the Moslems in any competition with the Hindus. In a new order of things in a politically autonomous India they apprehend, therefore, being swamped by the more advanced community. Hence the stiff-neck opposition and the truculent bargaining of the Moslem community in a political settlement with the Hindus. What they seem to have imperfectly realised is that a national government brings to the people a far higher and other prizes than a mere extended opportunity in government service. Should higher education have made as great a headway among the Moslems as it has done among the Hindus, it would have been discovered that services can but absorb a small fraction of those desiring employment. A modern government does not exist for offering direct employment to citizens. It is fundamentally the custodian of economic interests of the people. It is in the economic sphere that the community at large, rather than a handful of services men, can best

be served. And in that no government can make any communal distinction among its citizens. The disproportionate importance attached by the Moslems on the value and emoluments of office under a national government accounts for a narrow political outlook and consequentially of a wrong approach to the Indian political problem. It is easy to understand the Moslem mind in the light of facts and antecedents. And though one can profoundly regret it, we do not consider it desirable or even fair to accuse the Moslems of an anti-national attitude. It is not always easy to transcend beyond the exigencies of immediate situation. Where the Hindus have been disillusioned, the Moslems have not been. A sympathetic understanding advances a national cause, accusation sets it backward.

The Moslem demand in a communal settlement is too live an issue of current politics on which a student of affairs can usefully make any comment. Yet an analytic study of the various claims put forward by the Moslem community may help to clarify the exact situation. In the London Conference the Moslem delegates are reported to have taken their stand on Mr. Jinnah's "fourteen points." We set out below these points for ready reference of our readers :—

- (1) The form of the future Constitution should be federal with residuary powers vested in the provinces.
- (2) A uniform measure of autonomy shall be granted to all provinces.

- (3) All legislatures shall contain adequate representation of minorities, without reducing the majority of any province to a minority or even equality.
- (4) In the Central Legislature Moslem representation shall not be less than one-third.
- (5) Representation of communal groups shall continue to be by means of separate electorates.
- (6) Any territorial redistribution shall not affect the Moslem majority in the Punjab, Bengal and the N. W. F. P.
- (7) Full religious liberty shall be guaranteed to all communities.
- (8) No Bill or resolution shall be passed if three-fourths of the members of any community in the particular body oppose such a Bill as injurious to that community.
- (9) Sind should be separated from the Bombay Presidency.
- (10) Reforms should be introduced in the N. W. F. Province and Beluchistan as in other provinces.
- (11) Provision should be made in the Constitution giving the Moslems an adequate share in all the Services and in self-governing bodies.
- (12) The Constitution should embody adequate safeguards for the protection and promotion of Moslem culture, education, language, religion, etc.
- (13) No Cabinet, either Central or Provincial, should be formed without a proportion of Moslem ministers of at least one-third.
- (14) No change to be made in the Constitution by the Central Legislature except with the concurrence of the States constituting the Indian Federation.

It is interesting to recall here the history of these fourteen points. Early in the year 1927, indications were available that the Conservative Government of Great Britain would shortly appoint the Statutory Commission for examination of the next stage of India's political advance. The need was accordingly felt

to be clamant for a Hindu-Moslem understanding, for the resolution passed by the All-India Moslem League in its three previous sessions were not likely to receive the acquiescence of the Hindu community. An understanding was fortunately arrived at between some Hindu and Moslem leaders in a meeting held at Delhi in March, 1927. The Moslems agreed to a joint electorate in return for the Hindus agreeing to separation of Sind and introduction of 'reforms' in the N. W. Frontier Province. The Madras Session of the Indian National Congress held in December next practically ratified this understanding and thus prepared the ground for an All-Parties Conference to draw up an agreed constitution. The Conference met at Delhi in February, 1928, but strong difference of opinion having soon manifested itself between the Hindu Sabha and the Moslem League with regard to the proposed separation of Sind, the latter withdrew from the Conference. In the following autumn the Conference without the Moslem League representatives published the approved report of its Committee with which the name of late Pundit Motilal Nehru is associated. The Report recommended the separation of Sind from Bombay as a new province; it fell in with the suggestion that the Frontier Province should be constitutionally on a par with other provinces. But it rejected in strongest terms communal electorate, set its face against reservation of seats in provincial legislatures for a majority community and conceded it only to

a minority but in strict proportion to the population represented. These recommendations took the Moslem politicians by storm. Most of them opposed the Nehru Report but with varying degree of intensity; others gave it a qualified approval. An inevitable split occurred in the Moslem camp. The left-wing Moslem group held its Conference at Delhi simultaneously with the Calcutta Congress under the style of All-Parties Moslem Conference. The centre group led by Mr. Jinnah held the session of the All-India Moslem League in Calcutta and though it offered terms to the All-Parties Convention for acceptance of the Nehru Report, it was unable to come to an understanding with the latter. The resolution of the All-Parties Moslem Conference (left-wing group) passed in January 1, 1929, asked for a drastic revision of the Nehru Constitution. Mr. Jinnah's terms offered to the Convention were easier and far less extensive than those of the Delhi resolution. They extended only to the following four points :—

- (1) That in the Central Legislature the Moslems should have one-third of elected seats reserved for them.
- (2) That in the Punjab and Bengal the Moslems should have seats in the Legislature reserved for them on population basis.
- (3) That residuary powers should rest with the provinces and the Central Government should have no power to suspend the provincial constitution under any circumstances.
- (4) And lastly, that the Constitution should only be amended by four-fifth majority of either house of the Central Legislature and by the same majority of the two houses.

The rejection of Mr. Jinnah's four-fold terms by the Calcutta Convention naturally gave rise to a desire for the closing up of Moslem ranks. An endeavour was made to bring round the left-wing group on the old platform of the All-India Moslem League. It was with this object in view that Mr. Jinnah brought forward on March 28, 1929, before a session of the Council of All-India Moslem League at Delhi a comprehensive resolution embracing the "fourteen points" in order to meet the different points of view held by the different schools of Moslem political opinion.

Thus emerged the much-discussed fourteen points of the Indian Moslems which, it must be noticed, is not the greatest but the lowest common measure of divergent Moslem opinions. From the very nature of it, the demand is extravagant. Of the fourteen points, the second, seventh, eighth and tenth points may receive the acquiescence of the Hindu community. In a federal constitution, the status of the local governments should on constitutional grounds alone be equal. This disposes of the second point. Religious liberty "subject to public order and morality" has been guaranteed in the draft constitution of the Nehru Committee. And it is hoped this obvious restriction on the religious right will not be questioned by the Moslem community. Similarly the vetoing right of four-fifth majority with regard to any bill or resolution may also be agreed to by the Hindu community subject to an agreed power of the speaker of the House and the Supreme Court to determine if a

particular motion is of a communal interest. Lastly the introduction of provincial autonomy in the N. W. Frontier Province has been approved of even by the Hindu Mahasabha. On a slightly different footing stand the eleventh, twelfth and fourteen points. With them the Hindu community should have nothing but the fullest sympathy, though they should not be admitted in the form presented. No constitution in the world has provided for the claim of a section of the citizens to public service, the matter obviously being one of administrative policy. Nor can a constitution commit a government in advance as to a constructive programme for promotion of a particular culture, religion or language. It would indeed be constitutionally impossible to make any such provision without being unduly meticulous. Similarly, the Moslem object of guarding against a too flexible character of the constitution may be better secured by the formula Mr. Jinnah placed before the Calcutta Convention. If India would profit by the experience of U. S. A., there would be found serious objections to subjecting constitutional revision to the vote of the Provincial legislature. Nor is such procedure necessary, the underlying object being well served by Mr. Jinnah's formula. Thus are disposed of three more of these fourteen points with which we find ourselves in agreement, substantially at any rate with their underlying objects. On the other hand, against the first, sixth and thirteenth points we must strongly set our face. We have already

indicated in a previous chapter why in an Indian federation residual powers cannot rest with the provinces and in a later place in this chapter we shall examine how a communal reservation in the highest executive authority is inconsistent with good government, far less with responsible government. We oppose the restriction on territorial changes as an undue handicap on the future legislature, the Moslem view-point in this connection being amply safeguarded by their eighth point.

The field of difference and discussion is now narrowed to the remaining four points. Of these we have no hesitation in expressing the view that the All-Parties Conference having agreed to separation of Sind in 1928, the Hindu community must waive their objection to the separation. Nor should, in our view, the Hindu Mahasabha go back upon its support to Nehru Report on the ground that other terms of the Nehru Committee's communal settlement have not been accepted by the Moslems. We are reluctant to believe that the Sabha had accepted the Sind proposal not on its intrinsic merit but as a part of the bargaining scheme with the sister community. With regard to the three points round which controversy is running high, viz., the separate electorate, the reservation of minority seats in the provincial legislature and of the Moslem seats in the Central, we do not for reasons already stated wish to express any view. We would only remark that from a national point of view it may be well worth for the Hindu community to make some sacrifice in representative

strength, say, for a period of ten years in order to secure, if possible, a Moslem consent to a mixed electorate. Secondly, it is manifestly absurd to reserve for any community more than forty-nine per cent of the seats in any legislature on any ground, however strong or compelling. For a higher proportion of seats for any single community, guaranteed from the beginning, would keep open the danger of its thwarting and sometimes carrying a motion before the legislature by means of a communal *bloc*. Dispassionately viewed, the Moslem claim for minority treatment can only be admitted with regard to safeguarding of the linguistic, cultural and religious tradition of the community. Such indeed is the principle on which the minority problem has been solved in the post-War states of Europe under the auspices of the League of Nations. It would be futile, however, to seek to solve the Indian communal problem on that well-recognised international principle. Whether Indian Moslems will openly avow it or not, they aim at much more than cultural safeguard for the community. They seek power and position definitely guaranteed to them in the new representative political system which India is rapidly passing into. It is obvious that Moslem truculence will have to be met and that by yielding more than what is reasonably due to the Moslems. The present leaders of the Indian National Congress must be given the credit of having fully realised this fact. What the spokesman of the Hindu Mahashabha characterised as "anti-communal communal-

ism '* on the part of the Congress is really its super-communal national outlook. Yet there is a limit to placating the Moslem demand. A political weekly of highest standing** seems to us to have well stressed the worst aspect of it. "If at a time" says the paper "when the foundation of Indian Swaraj is being laid, the plan is vitiated by communal electorate, the hope must be finally abandoned of evolving democratic institutions in India. Democracy now or never." We are more optimistic about the future than the *Servant of India*; nor do we share its expectation that real democracy will be ushered in in India only by scrapping the communal electorate. But all the same we regard it as the least acceptable of the three remaining points of Moslem demand on which we have chosen not to give a clear expression of opinion.

But if nothing is to be more avoided than the division of the body politic into religious communities, as in effect the Moslem proposals are, its division into political parties is the essence of modern parliamentary government. The nationalist opinion in India, both Hindu and Moslem, has envisaged for the future of India a kind of government modelled on the British parliamentary system. But what seems to have been imperfectly realised by popular opinion is the need for the existence of political parties in the land for a proper functioning of the parliamentary

* See Mr. N. C. Kelkar's Presidential address at Punjab and Frontier Hindu Conference, December, 1929.

** *Servant of India* dated Dec. 18, 1930.

system. Under the British system, it is the party which formulates political opinion, educates the electorate and organises it; the electorate votes according to party ticket, the members walk into the lobby according to party whip and men fill the government solely because they are chosen by the party leader. The party discipline and party management sustain the whole fabric from the peak to the pavement. It is obvious, therefore, that India in order to evolve parliamentary government of the British type must develop her own system of parties.

Do parties exist in India to-day or are they in the making? The less informed section of the public will probably point to the Swaraj Party who swept the two general elections before the last and served as a kind of parliamentary opposition in the Assembly and in a number of provincial legislatures. Unfortunately the analogy is wholly inapt and is misleading. Between the constructive programme of a national government and the nationalist opposition to an alien rule there can be no comparison. The success of one lies in its merit, the success of the other lies generally in its character and specially in its degree. A political party exists to organise opinion for constructive programme; it must assume the responsibility for the opinion it creates. A nationalist opposition gathers strength for destructive purpose; it is responsible for its character but not for its opinion; for the latter therefore it has really no responsibility to own. It is in our opinion absurd to judge of the

various groups of Indian nationalist opinion in the denomination of the political party organisation such as exists in Great Britain. It is arguable, however, that though there do not exist in India to-day organised political parties, their incipient makings should nevertheless be apparent to discerning observers of Indian public life. Let us analyse the present field of political opinion in this country to ascertain if there is any truth in this exceedingly plausible view of the matter.

The Simon Commission in their survey of the various elements constituting the Indian population discriminate the political classes, the commercial community, the landlords, the agricultural interests and the industrial labour. Obviously, party developments in India cannot take these four-fold lines. Nor was it the intention of the Commission to make any such suggestion. But the treatment at any rate serves to indicate a few possible lines of party cleavage. Parties may develop in future as representing the two rival interests, urban and rural; or they may emerge as rival advocates of the interests of capital and labour; or it is conceivable that political opinion will crystallise into two opposite camps, the one aggressively nationalist in its outlook and the other soberly constructive in its programme. These three possible lines of development are suggested from the survey of the social elements made by the Simon Commission. On a careful study of the current political situation, however, we venture to hold that no single line of these developments is likely to occur

in future; at any rate, no tendency pointing to the evolution of a party life on any of these bases appears to be incipient in the public life of to-day. The great agricultural interest of the country-side is yet hardly self-conscious, far less it is assertive. There is no doubt a public movement of feeble strength for "village reconstruction." But the degree of its intensity apart, the movement itself owes its inspiration to academic opinion and nationalist views radiating entirely from the city. It is unlikely that the condescending apologists of country life who have their own vital interests associated with the urban areas will array themselves in sufficient number to form a rural party in opposition to an urban party. The fact is that the process of rural decadence which started from the beginning of British rule in this country continues yet unarrested; and the educated elements of rural society still look forward to their economic welfare more in the development of urban interests such as trade and commerce than in the promotion of such rural interest as forestry or farming. Nor are any real indications available of an early growth of a labour party in opposition to a party of manufacturers and industrialists. Except in Bombay where large industries are controlled by the Indian capitalists, the industrial interest in no province fills up a large space in public life. In the central legislature no doubt, during the last nine years of its career under the reforms, the business men of highest standing and ability have played an important *role* but their influence has at no time been exercised

in opposition to the interest of the labour. The success of the capitalist group in the Legislative Assembly in the recent years was due not to a support of the House to capitalist interest as such but to the contribution which the capitalist's standpoint made to the programme and policy of the nationalist politicians. As Sir Purushottamdas Thakurdas presiding at the Annual Meeting of the Federation of Indian Chambers in Calcutta in December 1928, said "Indian commerce and industry are intimately associated with, and are indeed, an integral part of national movement—growing with its growth and strengthening with its strength." This precisely has been the line of policy pursued by the representatives of business community in the recent years. Nowhere has the capitalist standpoint been presented as hostile to workers' interest. Similarly the spokesmen of the labour in the legislature have generally confined their efforts to amelioration of working conditions of labour. Their demand in terms of practical politics has been modest and provoked little opposition from quarters in which it might be looked for. Here again the real explanation is that despite progress in Western education and industrial development, the time has not yet arrived in India when her social foundation shall be altogether shifted from status to contract. Sharp economic inequality notwithstanding, a class struggle is not yet in sight in India. We are thus left to consider the third possible line of party development referred to before. The emergence of two parties one ag-

gressively nationalist and the other solidly constructive seems to correspond to the hitherto known general division of the ranks of Indian politicians into two opposed camps, the extremists and the moderates. There are indeed Indian politicians to whom nothing will probably appeal more than the exhibition of their hard won power, who in all likelihood will be inveterately spectacular and demonstrative in their policy and action; on the other hand, there are politicians who would probably value nothing more than a slow and steady development of the country, who in other words would be prepared to sacrifice immediate improvement here and there in pursuit of a larger goal for a bright future. The mental outlook of these two classes of politicians are undoubtedly traceable among men who are in the political arena to-day. But it seems to us that the sober and the far-sighted statesmen will not be able to rally any support round them for at least one or two decades after power is really transferred to Indian hands. The men who will lead the young autonomous India are men who will give stunts, sensation and the like stuff. Political opinion which is prepared to wait patiently and build slowly for the future has little chance of developing itself to party dimensions. There will be no following for a slow and patient programme.

Besides these three possible lines of party development which we have considered and rejected, Lord Meston envisages a different system of party organisation for future India.

On the one side, says Lord Meston, there would be a party "which will find its standard of political life and social organisation in the religious and philosophic annals of the past. In some respects, it would be puritanical aiming at great simplicity of life and creed. It would probably favour elaborate legal regulation of social relation, a position for continued subordination for women, an exclusive policy in foreign affairs and tariff and generally a reversion to certain older ideas in economics and statecrafts. On the other side would be a party less disposed to ceremonial orthodoxy and looking for more light in the scientific conception than in accepted dogmas. It would seek to blend the essentials of Indian life with whatever is best in Western ideas. Its inclinations would be towards a closer relation with the rest of the British Commonwealth and an industrial policy."* The picture is illuminating. Yet we have little hesitation in holding that it is largely fanciful. At any rate, the nine years of working of the reformed constitution does not point to the development of a party system on the lines indicated by Lord Meston. Exclusive fiscal and foreign policies have been most insistently urged by those who are anxious to adopt Western ideas and institutions in this country. Those who favour legal interference in the regulation of social relation are precisely the group of ardent social reformers who among other things stand for a widening of the

* Lord Meston's article on India in "*Dominions and Dependencies of Empire*" (W. Collins & Sons Ltd.) 1922 p. 228.

sphere of woman's life. Politically, the nationalist India is obsessed and overwhelmed with the ideals and institutions of the West and there is as yet little indication forthcoming that she will derive any inspiration from her own past in the formulation of her standard of political life and social organisation. It would appear, therefore, that neither Lord Meston's forecast of the party system in future India is based on tendencies which are manifest in public life to-day.

No political parties are in the making; yet politicians who plump for the introduction of British parliamentary system in this country find no cause for despair. If under an alien government, they argue, there are no political parties to-day, they will certainly grow up in future. The formation "of parties must follow the introduction of responsibility and cannot precede it. It is only after the transfer of power and responsibility to the legislature that one can expect important cleavages of principle to develop themselves and a struggle for power and office between two rival set of members of legislature."* With the transfer of power to India, a scramble for office will undoubtedly ensue among individual aspirants. Support will probably be whipped up on the strength of private friendship, wealth and influence, and above all communal loyalty. Caucuses will be formed and groups will be organised; and there will in all likelihood be a constant see-saw of ministries going into and

* Sir P. S. Sivaswamy Aiyar in his *Indian Constitutional Problems*, p. 277.

coming out of office before they have any time to make their policy felt. Can a system of party politics really emerge from such a state of affairs? The Government of India in their despatch on Simon Commission would seem to hold the view that the process will be slow but at any rate "the handling of practical problems of administration and policy will lead to the development of parties which will be divided on different lines."* Speculation as to the political future of a country can only be indulged in on the known facts relating to its present life. And proceeding on this assumption we refuse to admit that the growth of a party system can be reckoned on in the near future in this country. A parliamentary party system cannot grow up in a period of national struggle. The absence of political parties in the field of Indian politics is well understood and no word of apology is called for on this account from the nationalist standpoint. The eminent politician whom we had quoted just now seems to think that the opposition offered by the Indian nationalists against the present official government in this country on the floor of the legislature is a sufficient earnest of an incipient party system in the Indian politics. The germ in his view is there and will assume its fullest panoply under a responsible government. It has been argued that as the responsibility of the government will be complete, so will the ranks of its supporters be closer and more compact and in the

* Government of India Despatch, paragraph 11.

corresponding measure will the position of the opponents consolidate in the legislature. What has obviously been over-looked in this line of argument is that a political party is not a faction. Nor is party government merely a scramble for office. It is perfectly true that under a system of responsible government every aspirant to office or a group of such aspirants will organise support for them in the legislature. Every successful combination of men in office will live in constant fear of being assailed by those out of it. A small shuffling of support will probably upset the delicate poise on which a ministry would rest. All these might look like parliamentary government without, however, their being really that. Personal support and personal jealousy are not the foundation on which the fabric of a party system can be built. Personalities lead to caucuses, principles alone crystalise into parties. And once the politics are caught into the personal game, the traditions tend to harden and the chance of the principle to get the upper hand become more and more remote.

Yet fortunately for India parties might develop in future. It is possible to make such assumption. But what is likely to happen is that, as under most modern governments, multiple parties will emerge in the political field. Public opinion will not be sharply divided along a single line of cleavage but will be cut across along various lines of fiscal, economic, social or administrative differences. This is precisely what seems to be the anticipation of the Government of India con-

veyed in their remark quoted above. The new states of post-War Europe seem also to illustrate this identical trend of political development—a multiplicity of parties each with a narrow programme and intensive policy of its own. Nine political parties fought the general election of German Republic in December 1924. In Czecho-Slovakia, 15 parties fought the election of 1920 and 29 parties of 1925. The climax was reached in Latvia where as many as 43 parties ran candidates in the election held in October, 1925.* Should India be overtaken by a similar multiple party system, it is certain that she will have a hard task of the much-cherished responsible government. For the parliamentary government which has been throughout before the ken of political India is that of the British type. It is the Westminster model which popular opinion has been wistfully yearning to set up in this country. Under the British system the party in office has under normal conditions the complete and most exclusive responsibility for the policy and administration; it must therefore maintain its majority in legislature by its own and unaided strength. A system of multiple parties tend to reduce the chance of any single party to command an absolute majority and as such, to break the British Parliamentary system. The conclusion thus seems to be irresistible that even if a system of parties develop in India, the British type of parliamentary government is not at all realisable in this country. At best we

* Vide Headlam Morley's *New Constitution of Post-War Europe* (Oxford) 1928, p. 116.

may fall back on a system of groups which by a constant shuffling and re-shuffling of its alliances makes and unmakes governments in a continual unstable state of political equilibrium. This has precisely been the trend of politics in continental Europe where in most countries the adoption of party principle has resulted in the setting up of a group system thus opening, in the language of Professor Hearnshaw, "the flood-gates for the entrance of log-rolling, intrigue, bribery, self-seeking, debased bargaining, falsehood, treason." All these are recognised; yet it is contended that none of the continental countries think it worth while to discard party principle or parliamentary government. We do not consider the contention holds altogether good. There is a definite tendency in the new States to move away from the British model. The Irish constitution, for instance, provides for about fifty per cent of the members of its ministry to be appointed on non-party basis.* Nor under this constitution can a party cabinet banned by an adverse vote ask for a dissolution of the legislature. These are remarkable variations from the British model of parliamentary government. In any event, there seems little justification for the view that India should adopt British Parliamentary system knowing full well that it is not successfully workable in her case, only because other countries have been making the same unsatisfactory experiment. It is a mistake to think

* Vide Article 55 of the Irish Constitution.

that no alternative is available. What the Irish Free State recognised partially in 1922, the Swiss Republic had acknowledged in fullest measure so far back as 1848, namely, that constitutional responsibility of the executive is not ensured by the exclusive method of making it liable to dismissal at the first breath of effective opposition. Under the Swiss constitution the national executive known as the Federal Council is elected by the two Houses of the legislature and holds office during its life time without being liable to dismissal meanwhile. We suggest that a similar non-party national executive on the nomination of the legislature concerned be appointed in India rather than her national politics be thrown open to a party system as in Great Britain. To sum up our arguments developed in the last few pages, new political parties may or may not develop in this country. Even if they do, it is more likely that they would be too diversified to render British parliamentary system workable with efficiency in this country. An alternative to the British model is an irremovable executive elected by the legislature and holding office during its life-time.

We express our strongest objection to the introduction of British Parliamentary government in India on a still more fundamental ground. The constitutional outlook of an average Indian politician is wholly in disagreement with the traditions of Westminster. The British system rests on the widest rope being given to the Parliamentary executive.

To it belongs practically all right of initiation of policy, of formulation of all proposals regarding taxation and expenditure, legislation and administration. The British Parliament is content to exercise its sovereign authority by reserving to itself the power of dismissal of the executive. Short of this extreme exercise of power, the House has little scope of asserting itself. As Prof. Lowell puts it, "to say that cabinet legislates with the advice and consent of the Parliament would hardly be an exaggeration."* The private member of the House of Commons is one of the most impotent members of a popular legislature in the world. If he is particularly cantankerous he can speak rantingly, indulge in a few personalities and set a 'breeze' in the House; but of any real contribution to the government of the land he has not had the slightest opportunity. He can be inquisitive about the administration but can have no hand in it; he can ask for no grant of expenditure, he cannot initiate a proposal of taxation; his sole business is to criticise government or to acquiesce in government measures. In one case or the other, he is impotent except in rare cases when a cabinet crisis precipitates owing to an adverse vote of the House.

To this position of constitutional impotence an average Indian politician is reluctant to reduce himself, both by his instinct and tradi-

* Vide Lowell's *Government of England* p. 326. Also consult Mr. H. Young's article on *Authority of House of Commons* in *Contemporary Review*, July 1925.

tion. Long years of bureaucratic rule has bred in him the gravest distrust of the executive. He is loathe to give it a working rope, far less a wide one. A popular assembly in India is jealous of its own powers and would but grudgingly part with them even under proper safeguards. What Indian politicians are still more keen about is that as members of a legislature they should have an effective part to play in the administration of the land. Indeed the line that divides the sphere of administration from the sphere of policy is hardly recognised. More than anything else, few Indian politicians being not in office would agree to surrender completely their right of initiative, of laying down policy or even formulating proposals, legislative or administrative. In one word, the popular representatives in India are reluctant to transfer responsibility from their shoulder which under a responsible government must rest on the executive. It would be a serious mistake not to take this attitude of Indian public men into account. Nor need it be a matter of surprise or hostile criticism. During the last two hundred years of British rule in this country, Indian political talent has been completely starved of any opportunity for creative expression. Since the Morley-Minto Reforms of 1909, Indian public men have trod the sterile soil of representative assembly where they had little power. By a violent revulsion of feeling they have lost faith in the value of government by debate. Lack of responsibility during the long years of struggle has left them hungering for it. And how often

in the past they have looked forward to the time when India would come to power and they as members of a popular assembly shall have the right and opportunity of shaping her destiny with their individual positive contribution. The constitution that will satisfy such political pre-disposition is not the British party system but the American congressional government. Under the latter system the responsibility for the formulation of policy and an important share in the administration is entrusted to the national legislature. The individual members are thrown into one or other of the various standing committees of the House which discharge important administrative responsibility as well as formulate legislative proposals. The executive in the United States, despite its power of influencing the decision of the legislature, largely carries out the registered decision of the legislature. By its political disposition the nationalist legislature in India requires more a Chief Executive Officer than a Prime Minister. Such a constitutional ideal is not realisable under a system of responsible government as practised in Great Britain or British Dominions or, to say in other words, as it is technically understood in constitutional literature. But it fits in admirably well with an irremovable elected executive. The future constitution of India must blend the Swiss principle of election of an irremovable executive with the tradition of American procedure for disposal of parliamentary business. The procedure in fact follows logically from the

principle of election, only in United States it is acutely emphasised.

Two more considerations remain to be stressed in this connection. In the first place the art of government is becoming more and more specialised. The politician who assumes administrative responsibility of a modern government must be more than an amateur in the art of government. Modern life has revolutionised political conditions and the day is past when an amateur administrator could discharge his duties with what co-operation he could obtain from his permanent subordinates. Moreover the sharp disparity between India's achievement and possibility makes her future government a task of extra-ordinary difficulty. The requisite first-rate and technically efficient administrative talent would not be forthcoming for long years to come if government were to be organised on the British party system. Secondly, with an electorate such as this country can furnish, it is essential that a strong national parliament should be brought into being. For, nothing is more certain of a modern party government than this, that it sets at naught the adverse criticism of the House. As Prof. Ogg points out, the latest development in the British parliamentary politics is that a government in office is increasingly less mindful of the vote of the House and increasingly more amenable to the public opinion outside it.* Whatever the theory may be in actual practice a 'responsible' Ministry tends to behave in most ir-

* Vide F. A. Ogg *English Government and Politics* (1919).
page 460.

responsible fashion even under ideal conditions of party grouping, if the public opinion outside the House is not sufficiently strong. In India where this condition is not satisfied, no attempt in our opinion should be made to set up irresponsible executive in the name and in the pursuit of an academic ideal of responsible government. Hard thinking is required to disillusion the Indian public mind of the charm of a removable executive. Its implications have not yet been closely analysed. Yet amazingly enough, in the Congress-League scheme of 1916 the Indian politicians asked for an elected executive; then they spoke their mind out much better than they knew, much better than it has been possible for them to do since, in their anxiety to maintain their democratic character at the academic level. By a curious irony it was left for the Simon Commission to warn the Indian nationalists against striving too closely to imitate Westminster.

CHAPTER VII.

THE CENTRE IN TRANSITION.

The principle of federal organisation having been established and the best character of relation between a national executive and the legislature having been discussed at some length, we may now proceed to fill in the skeleton of India's national government at the centre with some details. The constitutional problem of first-rate political importance which must now receive our attention is the division of powers between the central and local governments under a future federal government of India. As already explained in an earlier chapter, the essence of a federal constitution is the division of the field of government into two spheres, one in which each local government is autonomous and the other in which a common government exists for all the local areas composing the federation. The point at which the line of division is drawn is of much vital importance. For the relative proportion of powers enjoyed by the central and the local governments largely determines the character of political life evolved in each country. Where, for instance, the local or component governments enjoy very large powers at the expense of the central authority, the latter has a tendency to be weak. Similarly, where the centre gains too much powers at the expense of local gov-

ernments, the interest of intensive local development is likely to be neglected. Apart from this general consideration there is a special importance attaching to this aspect of federal constitution under Indian conditions. This importance, as we have already stated, is political and emerge from the unfortunate tendency of the Moslem politicians to emphasise a communal bias in the constitution. The Moslems representing as they do, roughly about 20 per cent of the total Indian population never expect to be numerically strong in the legislative organ of the central government. On the other hand, they hope to hold the whip hand in a number of provincial governments by the weight of their number. It has accordingly been their insistent desire that the central government should be starved of the maximum possible powers, these being diverted in as large a measure as possible to the field of provinces. As we have elsewhere argued, it is impossible to think of a central government under modern economic conditions with too narrow a space to move about. A crippled centre would mean an weakened nation. At the same time it is necessary to remember that nothing is more important than that the provinces under the future government should have ample powers and resources to make up their vast leeway in the economic and administrative progress. Nor must the presence of the States as members of the Indian federation escape the grip of our attention in this connection. In order to maintain as far as possible their present internal autonomy and to bring them as

far as possible on a par with the present British Indian provinces, it would clearly be impossible to deprive the local governments of much powers as otherwise one might feel justified to do.

To attack now the detailed proposals of allocation of powers. A basis for these proposals is furnished by the list of central and provincial subjects which were drawn up by the Devolution Rules under the Government of India Act of 1919. The authors of the Reforms of 1919 having chosen the provinces as the special field of operation of their new policy had to discriminate in a rough way the provincial and the central subjects. The discrimination was only of a rough character; for, as the Feetham Committee who framed the two lists of subjects pointed out, "When a provincial subject is not to be transferred in any province, its definition as a provincial subject, which involves the question of the control to be retained in respect of it by the Central Government, is not to be regarded as having received our final consideration."* In other words, with regard to existing reserved provincial subjects, sufficient care was not taken to decide whether it should be provincial or central, as so long as a subject remains reserved the superintendence, direction and control of the central government is fully exercisable over it. Read with this caution the division of subjects as contained in the Devolution Rules certainly furnishes a workable basis for division of powers under

* Report of the Southborough Committee (Division of Subjects) 1919, para 20.

a future federal government in India. The Nehru Committee which did not bring the States within the orbit of their draft constitution also drew up two lists of provincial and central subjects. Lastly, further materials in this connection may be gleaned from the recommendation of the Federal Structure Subcommittee of the London Conference as to an agreed list of federal subjects. It will have been obvious that of these three schemes of division of subjects the one under the present Devolution Rules, the one suggested by the Nehru Committee and the one agreed to at the London Conference, the Central Government must have fared worst under the last-named. For the agreement of the Princes having to be received to this list, the minimum possible powers have been surrendered in favour of the federal government. We set out below the London list of the federal subjects as reported in the newspaper :—

Shipping, navigation, including that on inland waterways, lighthouses, beacons, lightships, buoys, port, quarantine, salt, currency, coinage, savings banks, commerce including banking, insurance, trading companies and other associations, control of cultivation and the manufacture of opium and its sale for export, control of petroleum, explosives, geological survey, inventions, designs and copyright, emigration from India and immigration into India, inter-provincial migration, traffic in arms and ammunition, survey of India, meteorology, census and all-India statistics, federal services, immovable property in possession of the Federal Government and the Public Services Commission or Federal Services.

No objection can be taken to the inclusion of any of these items in the federal list. It is reported, however, that the Federal Structure

Sub-Committee has drawn a distinction between the central and the federal subjects the former including the latter. The view taken seems to be that the States should enjoy a larger measure of autonomy than the present British Indian provinces do as members of the federation. While, therefore, both the States and the provinces will have a common central government with regard to the federal subjects, the latter for themselves will have a wider sphere of central government including the sphere marked off as federal. It has been already recognised that a complete parity between the provinces and the States as members of the federation will be impossible to attain. Yet no efforts must be spared to approximate the one to the other. For, any sharp disparity in the powers or internal autonomy between the two classes of member governments will tend to break the federation, or at any rate, to leave it weak and incoherent. A careful examination of this list of federal subjects set out above would indicate some obvious omissions in the report. The defence of India together with all cognate matters* and foreign relation including the naturalisation and treatment of aliens must unquestionably form part of the federal subjects. A more debatable ground is, however, brought in view when the question is raised with regard to railways, ports and posts and telegraphs. The Princes presumably set their face strongly against federalisation of these subjects but it seems an impossible position to maintain that

* Subject to minor exception which we shall indicate later in this chapter.

under a federal system of government these subjects should be left to the care of the local governments. Unity of policy and direction is essential for proper administration of these subjects and they must be federalised, a formula being devised for indemnifying the Princes for loss of such interest as they may sustain resulting from such a course. An equally contentious sphere of government relates to the criminal and fundamental civil law* and the civil and criminal judicial procedure. Here also the need for uniformity all over the territorial jurisdiction of a national government is essential and though they do not find place in the federal list of subjects quoted above, it is difficult to see how they can be left out of this list. Two other outstanding omissions in the list of federal subjects we are considering are income tax and custom. With regard to both of these the Princes cherish strong opinion against surrender. It seems to us that the present practice under which every Indian State imposes land custom duty on goods entering its territory would not be consistent with the new federal outlook in Indian politics. Here again we suggest a transfer of this subject to the federal list after a formula shall have been adopted for indemnifying the States for loss of valuable custom revenue on the basis of a fixed annual payment for a period of twenty-five years. The income tax however stands on a different footing. It is a far less important source of revenue for the States than the custom. Nor is its federalisation essential

* Laws relating to status, contract, property, civil rights.

on constitutional grounds. Assuming even it were made a central subject for the British Indian provinces, we can discern no objection to its remaining a States subject as at present. In other words, while we suggest custom to be entered into the federal list, subject to an understanding with the States, we are of opinion that income tax might be treated only as a central subject. In arriving at this conclusion, we take two facts into consideration, that despite entry into Central list it may not altogether be unlikely that provinces will be allowed to share a part of the income tax on purely financial grounds. We shall examine such a proposal in a later chapter. Secondly, a steady process of development of the States for a period of twenty-five years will enable them to build up a sufficiently large revenue from income tax so as to be in a position at the end of these years to dispense with the indemnity assignment for loss of custom revenue. We may add that the increased reliance which the States must place on income tax for their financial equilibrium will compel most of them to try to make up meanwhile their economic leeway in comparison with the British Indian provinces.

Before the circle is completed of the federal or even central subjects, it is necessary to examine what should be the field of the States and the provinces. The list of provincial subjects under the existing Devolution Rules provides a fair basis for the formulation of proposals in this direction. Without any attempt at technical definition we would

suggest the following as the list of provincial subjects :—

Local self-government, medical administration, public health and sanitation, education, public works, irrigation, land revenue, famine relief, agriculture, veterinary department, fisheries, co-operative societies, forests, land acquisition, excise excluding control over salt and opium, stamp, administration of justice, police, prison, registration of deeds, registration of birth and deaths, religious and charitable endowments, regulation of industries and working conditions, adulteration of food stuff, prevention of cruelty to animals, protection of animals, pounds, control of gambling, of poison, of newspaper, of dramatic and cinema entertainments, of motor vehicles, libraries and museums, old age pension, pension and social insurance, borrowing of money on the credit of the province, provincial services, local audit, and such other subjects as may arise for the due control of any provincial subjects.

This is by no means a complete list of provincial subjects in that there is a number of minor subjects which can with advantage be entered in it. It is not necessary for our present purpose to be meticulous in their enumeration. What is intended is to convey a general picture of the sphere of central and provincial governments. It must not be supposed, however, that the list herein given has been arbitrarily drawn up. They are very largely based on *status quo* and well-known principles underlie their formulation. In the first place, the provinces have been charged with elementary duties of the state, the maintenance of law and order, police, justice, prison, education etc. Secondly, to it has been entrusted, what is known in the parlance of current politics, all the nation-building departments, health, sanitation, agri-

culture, co-operation etc. Thirdly, such of the revenue-earning departments as the local governments are best fitted to administer, *e.g.*, land revenue, excise, forest, stamp, have been placed under their charge. Fourthly, control has been secured for the provinces over such aspects of the modern industrial organisation and modern conditions of living as are subject to control of the state in every country, *e.g.*, industrial regulation, working conditions, motor vehicles, poisonous drugs etc. Lastly, full scope has been secured to the provinces for giving effect to its cultural standpoint by assignment of such subjects to their sphere as entertainments, social insurance, libraries and museums, gambling etc.

There are, however, three important matters which we have not as yet assigned either to the central or the provincial government. They are the laws relating to marriage, divorce, matrimonial rights and cognate questions; the development of industries; and the control of production, supply and distribution of agricultural and industrial products. With regard to the first of these subjects, we would suggest its being assigned to the provincial governments. Such a proposal might seem inconsistent with our previous suggestion that fundamental civil and criminal law together with the civil and criminal procedure of justice should be recognised as a central subject. It is arguable that uniformity with regard to laws of marriage is no less essential than that with regard to the law of transfer or law of contract. We recognise the force of such argument; but bearing

the fact in mind that marriage is one of those vital questions regarding personal happiness in regard to which opinion is still in a state of flux, we would wish each province to adopt its own standpoint according to the cultural outlook of its people. Any attempt at uniformity in regard to marriage legislation might have the effect of stifling a growing public opinion on a matter in which such stifling is undesirable. With regard to development of industries, the decision is rendered difficult by a conflict of weighty consideration. On the one hand the local governments must have obviously the responsibility fixed on them for developing their provinces; an intensive programme is unthinkable except without strong local interest and no local interest can be provoked unless there is a definite responsibility. On the other hand, there are industrial developments which cannot be brought about except without a central machinery. The government at the centre might further find its tariff policy, for instance, inadequately effective owing to its want of opportunity for playing a direct part in the development of industries, as such. The conflict of these considerations can probably be best reconciled by treating this subject as a concurrent field for both the federal and local governments. A similar decision would also seem to be called for with regard to the control of production, supply and distribution of agricultural and industrial products. Some of the large Indian commercial crops are grown over a territory extending over more than one province or

State just as some of the large Indian industries are scattered over areas widely apart. It is essential in the circumstances that the power should rest with the central government of exercising full control over production and marketing of these crops and industrial products. At the same time, it being a concurrent field the local government shall find full scope for its play of economic policy when the crop or the industry concerned happens to be entirely of a local character. With these additions and adjustments, the fields of the federal and the provincial governments may be regarded to be substantially complete. We have already indicated that in regard to income tax the States may have the power denied to the provinces. Similar additional powers may also be conceded to them with regard to maintenance of army. Constitutionally effect can be given to these suggestions by recognising these two as additional subjects of the State government in the concurrent field.

It may be made perfectly clear that the re-recognition of a concurrent sphere of government is in no way inconsistent with the federal principle. Even in a centrifugal federal state as Australia the State governments have no less than twenty-three subjects over which the Commonwealth Government has concurrent jurisdiction. In Canada such a jurisdiction is recognised at least in respect of two subjects and in effect, of one more. As it will necessarily follow, in case of a conflict in the concurrent field the action of the central government, both administrative and legislative,

will over-ride that of the States or the provinces. In the exclusive sphere of respective governments it would probably be best to subject the freedom of legislation to the veto of the Governor-General for a period of ten years.

Opinion has already been expressed in regard to the seat of the residuary power. It should definitely rest with the central government. The exclusive powers formulated for the federal government must by no means be regarded to restrict its wide sphere, viz., the entire field of government with the exception of what is exclusively assigned to the provinces or the States. It must again be clearly understood that except in very rare instances, where the power vested is exclusively legislative, all subjects imply both administrative and legislative power with regard to it. In the existing Devolution Rules or even in the list of subjects formulated by the Nehru Committee, administrative jurisdiction of the provinces is in many cases subject to Indian legislation. Such a divorce of powers would be the negation of federalism and in the sphere marked off in the previous paragraph for the central and local governments legislative and administrative authority must be regarded as co-extensive.

The most important part of building the fabric of a federal government at the centre is the constitution of its legislative organs. Despite some difference in the powers of the provinces and States, it is unthinkable that more than one legislature should function at the centre. It is true that occasion would arise

when there will be business before the federal assembly in which the members from the States would not be interested. It would be unfair, for instance, to allow them to vote on a matter relating to income tax, if, as we have suggested, this subject is exclusively assigned to the States. Constitutionally it will be somewhat difficult to provide for the exclusion of the members from the States from voting on specific questions before the House. Probably, the best solution of the difficulty shall lie in the setting up of a convention under which the members from the States shall refrain from participating in the business of the House which do not concern the States. Assuming even, however, that there would be a single federal legislature, it must be composed of two Houses; the one a popular assembly which shall represent the citizens as such, the other a much smaller body than the former representing the constituent governments. The popular House or the federal assembly, as the Simon Commission has named it, must no doubt be elected direct by the voters. To the other named the Senate, the election should, as suggested by the Federal Structure Subcommittee, be indirect, being made by each provincial Council by a single transferable vote. The real difficulty of representation at these legislative organs emerge only with reference to the States. So far as the Senate is concerned, it is clear that the Princes may be allowed to make their own nominations. For the government in the States, in spite of representative institutions in a number of them,

are still in practice and theory, personal. It is the nominees of the Princes who can claim to represent the government of the States and as such, are entitled to sit in the Senate. No such principle seems applicable in the case of the lower House. Here the case for popular election is unanswerable. The fact that in most of the Indian States the citizens do not possess franchise for local election is no argument why such franchise should be denied to them in the case of representation at the federal legislature. The anomaly that is noticeable here is only a part of the wider political phenomenon that in the Indian federation there will be a blending of two different systems, the one democratic and the other autocratic.

We now pass on to consider the most outstanding constitutional issue in connection with the future government at the centre, viz., the measure of autonomy to be granted in the beginning. Having accepted Dominion Status as the constitutional basis of a new nationalist government in India it may appear like begging the question that such an issue should be considered still open. It may be pointed out, however, that a general conclusion deductively reached may yet have to be carried into practice with reservation. It is thus contended that whatever the character the central government may finally assume, the Indian nationalist government at the centre will have to pass through a period of transition in which it will not be possible to transfer complete responsibility to the Indian legislature. In other words, the statehood that India can possibly attain on the

basis of Dominion Status will have to be realised initially by certain adjustment of and restriction on the political freedom which under the well-established British constitutional practice attaches to such a status. The need for such adjustment is thought to arise mainly from the incapacity of the nationalist India to assume immediately the responsibility for defence of this country. While we clearly recognise this fact, we do not consider that Indian nationalism is in any way discredited by this state of her military unpreparedness. Far less are we prepared to admit that the present dependence of India on the British officers and experts for her external defence constitutes the determining factor in any scheme of her political and constitutional advance. The Nehru Committee which could not have possibly overlooked the large reliance which a nationalist India must continue to place on borrowed talent for her external defence still claimed the military responsibility for a self-governing India. The Simon Commission sharply criticised the claim chiefly on the ground that it is unthinkable that British officers holding King's Commission should continue to serve an Indian army even when it shall have passed under the control of the Indian legislature and an Indian minister of war. A dominion government is legally a government of the Crown and we fail to see what legal objection can there be to officers holding King's Commission serving a dominion army. We can fancy, however, weighty objection inspired by British political sentiment. The

defence of India is primarily a national question and secondly an Imperial concern. It is not, we believe, suggested that responsible Indian statesmen will be less solicitous of their country's defence than the British politicians. On the other hand, the very large measure in which the Indian politicians must depend on the British character of military administration renders it precisely the sphere where British interest has least reason to be apprehensive in a nationalist *regime*. In the circumstances any opposition to the transfer of control of India's defence to the Indian legislature can only be interpreted as a veiled attempt at resisting the whole trend of Indian political advance itself. Nor can it be seriously argued that Britain cannot see her men and officers used as mercenaries of the national government in India when she herself has ceased to have any responsibility for the defence of the country. Such a point of view creates to our mind a needlessly delicate situation of the whole question. It is not, we presume, desired by the adherents of such a stand-point that no British Civil Servant should serve an Indian nationalist government. On the other hand, every possible safeguard is being proposed for the security of their position under a new constitution. If British honour does not suffer in the association of British Civil Servants with an Indian nationalist government, it is difficult to see why in the association of British military officers, it will. India's dependence on the latter is far greater than that on the former; yet if the intention is to embarrass a future nationalist

government, the complete withdrawal of British Civil Servants will as much serve the purpose as that of the latter. What is necessary particularly to remember is that India is winning her political freedom not by war or rebellion but by political and constitutional methods. British good-will and co-operation is the fundamental fact of the transfer of responsibility to the Indian legislature. Any gesture to coerce or embarrass the nationalist India would ill befit the worthy role of Great Britain as the giver of the freedom.

Yet our objection to the reservation of India's defence in any scheme of political autonomy for this country is not political but almost wholly constitutional. To claim responsibility in a sphere of government where it admittedly cannot contribute any thing more than formulation of policy is risky for the Indian nationalism itself. The liberty extended by the Nehru Committee in their supplementary report to Great Britain to withdraw every civil and military officer from India reflects more an aberration of an over-wrought political temper than far-sighted statesmanship. It is, therefore, perfectly clear why at the instance of the liberal politicians the Round Table Conference has accepted a scheme of responsibility at the centre with defence and a number of other subjects reserved to the Governor-General. It has been agreed at the Conference that the defence, external relations and the paramountcy of the crown in relation to the Indian States should be excluded from the field of popular government at the centre.

Further it has been stipulated that the Viceroy should have power to over-ride the budgetary arrangements for maintenance of India's credit abroad and shall have the right to supervise loan and administration of currency and exchange, the latter till it is made over to an autonomous credit institution when created. This seems to be the outline of a scheme of divided responsibility for the central government accepted at the London Conference, and summed up by Mr. Ramsay MacDonald at the concluding session of the Conference with the authority of the Labour Government. It may be remarked in the first instance that there seems little justification for treating paramountcy in relation to States as a reserved subject. The whole idea underlying the Princes entering an Indian federation is that they should be brought entirely within the orbit of the nationalist government at the centre after provision has been made for their unhampered internal autonomy. Should the Princes be allowed to be the masters of their own houses and if at the same time their political relation with the Crown emerging out of treaty obligations is removed from the sphere of popular federal government, the nationalist India might well ask what is the federation with the Princes for? It is clearly a bad bargain that representatives of the States should be admitted to the legislative organs of the popular government at the centre but important matters such as the dynastic rights of the Princes should be removed from the field of the popular federal government. We have in an earlier chapter expressed the

view that the right of paramountcy as understood by the Political Department of the Government of India would be an embarrassing right for the nationalist government to exercise. In proposing now that this right should be exercisable by a popular government we do not overlook our previous observation. We are certainly of opinion that under a federal distribution of powers there will be no scope for the intervention of a superior authority in the internal autonomous field of the States. Yet as the existing treaties with the Princes have been suggested to remain in force subject to the new constitution, a narrow field of control will still be available for the government at the centre in which decisions will have to be taken affecting specific States. This field will be distinguishable from other federal subjects affecting the States and provinces in that here the decisions will have to be taken *ad hoc* and only in exceptional cases. We recognise the need for special treatment of this subject but do not see sufficient justification for its removal from the sphere of popular government at the centre.

Turning now to the reserve powers of the Governor-General to interfere with the budget on the ground of maintaining India's credit, we have already indicated our view in an earlier chapter* that no such safeguard is called for beyond what has been suggested there. As regards supervision of external loans by the Governor-General we have also suggested special constitutional safeguards beyond which

* See page 42-43.

we are unable to go. As in the one case so in the other of these proposals for reserving powers to the Governor-General in connection with financial administration, it seems to us that they have been inspired by a certain want of confidence in the popular legislature of the future Indian government. If the career of the reformed legislature should warn the framers of a new constitution against an implicit faith in its wisdom, we believe it is because among other things of its popular and not its Indian character. We are perfectly free to admit that extreme caution is required in embarking the country to its new career of a representative government. Tradition and past history are of fundamental value to the ordered and efficient working of such a government. These being lacking in the case of India, every realistic statesman, British or Indian, must plead for sufficient caution. The mistake of the Round Table Conference in recommending a central government based on a division of responsibility has been to treat the problem as political. If a popular legislature in India does not inspire sufficient confidence to be able to maintain the financial credit of the country in the international market, the proper remedy is not to reserve power along a political line but to provide a constitutional safeguard on non-political basis. Again, in regard to a legislature whose wisdom is open to question, the difficulty is to limit the field of special treatment. The Round Table Conference has suggested reservation of India's defence. Presumably it means that any cut in the budget with regard to

defence expenditure is restorable by the Governor-General. The military expenditure together with such items as should be borne on the consolidated fund section, e.g., the debt services and the pension of British officers represent 80 per cent of the total expenditure of the central government. It is impossible that the authority who is responsible for this large expenditure should have no interest in the raising of the revenues of the central government. At any rate, what guarantee is there that a legislature which cannot be trusted to vote this large expenditure can be relied on to vote the necessary taxes to meet the expenditure. The Government of India in their despatch on the Simon Report* clearly brings out the issue. It seems to us impossible to eliminate effectively by reservation of powers the chances of dangers if action is at all to be taken on the presumption that confidence cannot be placed in a new legislature.

A division of responsibility, however limited the field of reservation may be, is a dyarchy all the same and is exposed to all its dangers and pitfalls. The Labour Government have no illusion in recognising that "under the existing conditions, the central legislature and executive will have some features of dualism which will have to be fitted into the constitutional structure."** It seems strange that having spent so much powder and shot to eliminate

* Vide page 148.

** Declaration of policy by Mr. Ramsay MacDonald at the Conference on January, 19.

dyarchy in the provinces, the suggestion should have been complacently accepted of setting up a dyarchy at the centre. Referring to the proposed reserved field, for instance, it may be pointed out that the military budget and the currency administration have been the outstanding targets of criticism of the nationalist political opinion. Under a system of dyarchy proposed such a tendency to criticise military and currency administration will but harden and not slacken in any way. The reserved field of government is like a forbidden fruit to a popular assembly. The very fact of its being reserved will provoke a criticism which it would have otherwise escaped. After ten years of working of a scheme of divided responsibility in the provinces it is not difficult to envisage the situation that will probably follow under a similar constitution at the centre. The British opinion seems to be placing a large measure of reliance on the members from the States in the new legislature whose attitude is expected to be always on the side of the constitution, and thus to guard it against all dangers of breakdown. If the members from the States, as we have suggested, are to be elected on popular franchise, such an expectation is certain to prove an illusion. On the other hand, if nomination determines the representation the popular character of the central legislature will be too much whittled down to make the new constitution acceptable to the Indian nationalist opinion. Even if public opinion overlooks the real implications of the new situation now, it will realise it in

future when the revulsion of feeling will violently re-act against the constitution.

While we are strongly opposed to a system of reservation of power outside the sphere of a popular government, we nevertheless recognise the need for special treatment of some of the subjects proposed for reservation by the London Conference. Our constructive proposals are: external and political relations (paramountcy) should be made the exclusive province of the Upper House; a cut in the military budget as also a decision of the legislature with regard to public debt should be made effective under the constitution only by a vote of three-fourth majority of the Lower House. These proposals to our mind provide abundant safeguards against any eventuality which might call for the exercise of over-riding powers of the Governor-General. To such powers as have been proposed to be conferred on him at the London Conference we are unreservedly opposed. Regarding currency and exchange, we shall in a later chapter outline proposals for setting up a constitutional machinery which will allow of all economic policies of government being formulated from a point of view other than purely political.*

A final word remains to be said about the central executive. In the previous chapter we have strongly advocated an irremovable executive in this country elected by the legislature but not removable by it during the former's term of office. It is significant that the London

* For other constructive proposals see Chapter X.

Conference while recommending a parliamentary executive has suggested that a ministry should only be removable by a majority vote of two-third of the two Houses of the legislature sitting together. We welcome the suggestion. For we clearly recognise that even for an executive not ordinarily intended to be removable, a definite provision in the constitution must be made in order to deal with an exceptional situation when removal is the only course left open in the interest of good government. Article 56 of the Irish Constitution, for instance, provides for a procedure for removal of the ministers who are not ordinarily removable as members of a party government. We draw pointed attention to this proposal of the London Conference. Its implications are clear; it is obviously presumed that no government can maintain itself in office on the strength of its party following. A procedure has accordingly been laid down by which none but a particularly unpopular government shall ever be driven out of office during the life time of the legislature. Amazingly enough, the London Conference even though suggesting that no executive shall be removed from the office on party principle (*i.e.*, to say by an ordinary majority of the Lower House) has nevertheless proposed that it should be appointed on the party basis. Nothing could be a clumsier compromise of the two different principles of parliamentary government which are intrinsically irreconcilable. The London Conference, it seems to us, while recognising that conditions of the British

Parliamentary government are not satisfied in this country, has still striven to cling to it in as many respects as possible. The result has not been an innocuous compromise but a blending of two opposite principles from which has emerged a dangerous system of parliamentary government. If a party cannot end a government, why should a party form it? To give the Indian Parliamentary cabinet all the wide powers of control and initiative which belong to it under the British system but to shield it from the only check to which it is subject under that system is to set up an oligarchy unprecedented and unknown in any country where parliamentary institutions exist. Such a proposal would be a travesty of responsible government whether understood in a technical or literal sense. It is impossible for any government to claim all the privileges of a responsible agent and to refuse to be accountable when the hour of reckoning comes. The London Conference might have formulated this proposal with the best of intentions. But in that case what it has failed to notice is that the principle of the British Parliamentary government is such as it is not possible to take any liberty with it in an instrument of government. Or, what is still more likely, the proposals have been the outcome of the British political view-point and the constitutional glamour of the Indian politicians for the British party government. In any event, the effect has been unfortunate. Having made the executive, in effect, not ordinarily removable, the logical position to adopt is that it should

be appointed by the legislature and not on the party principle. What is still more imperative is that the British system of Parliamentary life should be replaced by that of the United States. In other words, as a logical outcome of the proposal of making the executive removable by a two-third majority of a joint session of the legislature, the responsibility for initiative and formulation of policy must be largely shifted from the executive to the legislature. This has precisely been our suggestion in the last chapter. We would only round off our proposals by suggesting that in the Finance Committee of the Lower House which shall no doubt formulate the budget proposals a fair representation of the Upper House should be accorded so that a *liason* may be maintained between the authority handling the foreign policy of the Federation and the authority responsible for its military administration.

CHAPTER VIII.

THE FIELD OF PROVINCES.

An attempt has already been made to indicate what should in our opinion be the field of provincial government. It now remains to be examined how the various limbs of these governments should be organised. Turning first to the executive we may at once state that if parliamentary executive of the British type could not be thought to work with success at the centre, it has no better prospect of successful working in the provinces. The transfer of responsibility from the executive to the legislature will further facilitate carrying out an important measure of administrative reform not entirely without its constitutional importance. Under a new political order when government assumes a fully popular character, the need for such officials as secretaries to local governments will entirely disappear. Indeed, even under the existing constitution the position of secretaries to government is largely the relic of an old system when the council or the cabinet government did not exist. Prior to the Morley-Minto reforms the work of the general administration in each province was carried on by secretaries to governments subject to such supervision as it was possible for the head of the province to exercise over them. Right down to 1921 when the Montagu-Chelmsford

Reforms came into effect, they continued to discharge the bulk of the responsibility for general administration; for though an executive council functioned in most provinces, the number of councillors did not exceed three in any province. The Reforms of 1921 entirely transformed the situation; the number of administrators in the provincial cabinet more than doubled in those provinces in which there was an executive council before and not less than four administrators took office in provinces in which there was none at all before. Naturally the *raison de etre* of the experienced officials in connection with general administration of the provinces largely disappeared. When the field of provincial governments would still further, and in a complete measure, be thrown open to public opinion and politicians of judgment and ability would assume responsibility for executive government, it seems to us that the value of permanent officials in connection with the general administration would almost cease. It would probably be argued that the engrossing character of Parliamentary life and the constant touch which politicians in office must always maintain with public life would make it impossible for them to discharge completely their responsibility except with the assistance of a permanent responsible official. Moreover, the politicians on assumption of office often find themselves in an uncharted sea of official life. For them nothing is more helpful than the association with the general administration of experienced officials. To the latter they can always turn for expert advice.

We recognise the force of both the arguments. But having regard to the proposals of the new character of parliamentary executive we have made, these arguments seem to lose much of their weight. As we have envisaged the Parliamentary government the public life of politicians in office would be far less exacting than at present. They will obviously have far greater time to devote to administrative duty than at present, being relieved of the political necessity of maintaining themselves in office. What is still more important, under the proposals we have put forward, it is expected that only such men will be elected to office as are likely to make able administrators. Their selection will be determined more by their personal merit and general ability than by the mere size of their personal following in the House. For such men the technique of administration will be easy to pick up. They will have little necessity to depend on the permanent officials. Any expert advice they might be in need of will be forthcoming from the executive head of the department concerned. As a general administrator it is the advice of an executive official which a politician in office will require and not that of a permanent official merely concerned with general policy. The point indeed may be developed further and the soundness may be questioned of the present organisation of provincial governments, under which a sharp distinction is maintained between the executive department and a general administrative section of the local government specially charged with it. There

seems to us a strong case for the abolition of this duplicate organisation except probably with regard to the appointment, finance and local self-government Departments corresponding to which there is no executive department and the work of which is entirely of an administrative character. It is obvious that these administrative departments must continue to remain in their present full strength but with their exception and subject to other minor adjustments a general administrative machinery of the local government as distinct from the various departmental organisations may be drastically curtailed. The volume of administrative work which every parliamentary minister will have to cope with under this arrangement will doubtless increase. But a remedy of the situation may be sought by the provision in the constitution of parliamentary private secretaries to the ministers who shall vacate their office along with their chiefs.

Controversy of some volume and much intensity centres round the question of an Upper House in the provinces. Popular political opinion has generally been opposed to a Second Chamber in the provinces, but representatives of vested interests have been loud in their demand for it. While the Simon Commission was sharply divided in its view on the subject, the Government of India in their despatch on the Commission's Report have struck a kind of compromise in the conflicting views on the basis of local solution. For the three provinces, Bengal, Behar & Orissa and United Provinces, the Government of India

have recommended a Second Chamber but for the rest they have accepted the view of the respective local governments to hold that no Second Chamber should be set up. We do not consider that this is a proper solution of the question. Local conditions cannot possibly determine a decision on the point, as the Government of India pretend to think. The case for a Second Chamber, if there is any, rests on fundamental considerations which the existing variation in the local conditions among provinces cannot over-rule. Nor can it be seriously argued that local conditions, relevant to the problem, vary at all. The authors of the Joint Report of 1918 examined the problem in its correct perspective. They recognised, in effect, that on constitutional grounds a Second Chamber should be set up to exercise a conservative influence on the radical character of the Lower House, should it develop any. But judging by the political elements that were available for the constitution of such a chamber, the authors of the Report arrived at the conclusion that it could only be set up by whittling down in a large measure the democratic character of the constitution. It is possible to argue that the conditions of the problem remain essentially the same to-day. It suggests to us, however, that the dilemma with which the authors of the Joint Report were confronted is substantially the one which the framers of every democratic constitution have to face. A postponement of the decision would not make it easier to take in the future. Wherever a Second Chamber exists, it does to

curb and restrain the hasty and ill-considered measures of the popular chamber; at the same time nowhere can its existence fail to affect the democratic complexion of the legislature. On the theoretical field, the conflict is between the opposite principles of efficiency and right. It seems best to us to take the problem out of the theoretical plane and examine it in terms of practical politics. Whether in the light of known facts of current politics it is expected that popular government in the provinces will suffer for want of a Second Chamber and if so, to what extent—that seems to us to be the determining factor of the whole problem. The Simon Commission candidly remarked that in their reading of the political life of the last ten years they found nothing which throws light on this question. What the Commission was evidently referring to was that political conditions in those years were too abnormal to allow of any clear inference being drawn if the popular legislature in the provinces would under normal conditions of working be liable to hasty or impetuous decision. We venture to believe that the Commission is hardly justified in their attitude of indecision. There are abundant materials in the working of the reformed legislature to show that radicalism, except what the nationalist politics imply, is still a distant phenomenon in Indian politics being only dimly sighted in the horizon. Radicalism in new India might relate either to social reform or to an economic programme. Even a casual observer of present-day public life is aware that the school of social radicalism is

rigidly limited and is looked upon with greatest suspicion and obloquy by the rest of the public. It would have been impossible for even a modest measure like Sarda Bill to go through the central legislature but for the solid support received from the Treasury Benches. Even politicians who pretended to have fullest sympathy with the object of the bill expressed themselves as opposed to any legislative proposal designed to effect a social reform. Others took shelter behind the argument that under an alien government no social reform should be attempted. It is easy to read the public pulse from declarations of this kind. Other instances may be multiplied. But it is hardly necessary to bring home a conclusion so prominently writ large on public life that social radicalism as a political force need not be seriously reckoned on to affect the political life in new India. Radicalism in the economic sphere fills no doubt a larger space in the public life than its corresponding movement in social matters. Yet it must have been clear to any discerning critic that economic radicalism is more a dilettante faith of young professors at the university and a handful of social thinkers than the living creed of any school of practical politicians. In the cold weather of 1927 a tenancy bill was introduced in the Bengal Legislative Council by the Government. Astonishing as it might appear, it is still a fact that some of the clauses in favour of the tenants were either defeated or whittled down by a combined opposition of the landlords and the advanced politicians. These instances

point to but one conclusion, that there is little likelihood of the popular provincial legislature developing any radical character in the new India in the near future. The need for a Second Chamber in any of the Indian provinces thus seems to be largely negatived. We do not consider that the presence of organised landed and other vested interests in the United Provinces, Bengal or Behar justify the creation of such a chamber. The crucial point is not their presence or even their organised existence but how far their special interest is likely to be prejudiced in the absence of a revising House of legislature. Where special interests exist in an efficiently organised form, we urge that provision be made for institutional representation in the Lower House itself. Under the wholly changed conditions of a modern democracy and having regard to the state of political education and public opinion in this country, we would strongly recommend electoral recognition of all public associations sufficiently representative and efficiently conducted. So long as these two conditions are satisfied it should, in our opinion, be a settled policy of the national governments in the future India to encourage functional organisation. To this point, however, we return in a later chapter. Meanwhile we conclude that no Second Chamber need be set up in any province, though institutional representation subject to well-defined conditions should be accorded in the Lower House itself. Seats filled up by institutional representation together with such special seats as will doubtless have to

be marked off for the European and the Anglo-Indian community should not exceed one-tenth of the total membership of the House.

A problem of peculiar difficulty in connection with the future organisation of an Indian provincial government relates to the services. Up till now the superior posts of the various executive and technical departments as also those who were entrusted with the work of general administration from the provincial headquarter down to the sub-division have been filled up by members of all-India services. Their services are placed at the disposal of the local government but in regard to all questions of appointment, dismissal, disciplinary action and pension they are subject to the control of the Secretary of State. So long as the British Parliament had undivided responsibility for the government of this country, little inconvenience resulted from this arrangement. For, a provincial government prior to the reforms of 1919 did not represent an independent authority even though it was separately organised for the purpose of efficient administration; it was both in practice and theory a subordinate authority in the hierarchical organisation of official government legally responsible to the British Parliament. The Government of India Act of 1919 slightly altered the position. A sphere was marked out in the provincial government in respect of which responsibility was transferred from the Parliament to the provincial legislature in India. A situation has accordingly arisen in which the popular authority in the government has to be exercised

through the members of services some of whom, as already pointed out, are subject to control of the Secretary of State and the others to that side of the provincial government which was not responsible to the legislature. It is necessary to emphasise this constitutional anomaly and the practical difficulties involved in the position of the services *vis-a-vis* the political authority. A little careful thinking would make it clear that no political authority can function except with its own instruments of government. In other words, every Government in order to carry on its administration and make its policy felt must employ its own officials over which it can exercise full control. The anomaly which has already been noticed during the working of the reforms in the position of members of all-India and even provincial services must obviously aggravate after the provinces shall have been made completely autonomous in their allotted sphere. The government of the provinces as a whole being transferred to popular control, no difficulty will arise in regard to the Provincial Services. The responsible executive of the provincial government shall have full control over these services. But the difficulty will be presented in a particularly acute form by the all-India services, should they be still required to fill up the general administrative positions or the superior posts of the various executive departments under the provincial government. The logical remedy for such a possible anomalous situation would appear to be in the complete eschewing of employment of members of all-

India services by the provincial governments. Already under the reforms *regime*, a slow process of provincialisation of superior posts in every department is at work. It is clear that on constitutional grounds, if on no other, the process must be completed before the introduction of full self-government in the provinces.

This, however, is an *a priori* conclusion. As a practical proposition it is open to some doubt if the policy can be given effect to in its entirety. The suggestion of the London Conference appears to be that all services of the local governments might be provincialised with the exception of the Indian Civil and Police Services the members of which should continue to be employed as such in the provinces. The suggestion is not likely to be acceptable to popular Indian opinion. Reasonably or unreasonably, the Indian Civil Service has come to be regarded in popular estimation as the symbol of British rule in India. Its disappearance as much as that of the Indian Police Service from the provincial field is likely to be urged with particular tenacity. On the other hand, it is arguable that Indian Civil Service despite its strong political predisposition has made valuable contribution to the progress and administration of the provinces. And under a new order of things when power in the provinces shall have passed to a new political authority it would be clearly indiscreet for the Indian public to forego the benefit of the valuable training and the traditional public spirit associated with the Indian Civil Service. The unfortunate incipient communalism in the

Indian life would also seem to point to the need for European officials in the Indian Police Service who in a tense communal situation may be trusted to discharge their responsibility in an unbiassed manner. There is undoubtedly some force in each of these views. But the problem seems to have been approached by the adherents of both the views from a wrong angle of vision. The question is not whether there should be a fair British element in the superior public services of the province. It is whether, whatever their racial composition may be, they should not be completely under the control of provincial governments after they shall have attained their autonomous status without any reservation. In the interest of efficient administration and on constitutional grounds, we cannot envisage a provincial government, legally autonomous, depending at the same time on the members of superior services over whom they shall have no control in regard to dismissal or disciplinary action. Unless the federal idea or provincial autonomy is intended to be more a name than a reality, we fail to see how all public services of the local governments cannot but be provincialised, that is to say, how it is possible to avoid placing them under the fullest control of the local authority. One should be free to admit that the need for European element in the services of the province extends to departments other than civil service and police. Public health, forestry, civil engineering are some of the fields in which Indian talents of highest order are not yet available in sufficient numbers.

Probably recruitment of European elements to these as also to the Civil Service and Police will have to be made by the provincial government even after introduction of complete responsibility. But it is one thing to admit Europeans in public service, it is quite another thing for the provincial government to surrender control to a different authority in respect of these European recruits. Where such recruitment will be made, provision will undoubtedly have to be made for payment of special allowance and in case of technical services, for a higher starting pay than would be payable to ordinary members of those services. There are no politics whatsoever in these suggestions; they are formulated as purely business propositions. The national governments in India will require the services of British experts and British Civil Servants and British Police Officers for some time to come. So long as the need for them is there, adequate emoluments must be offered to attract real talent and ability from the British isles. When the necessity will cease, the door for European recruitment may be closed. We may be permitted to express here our view that in the field of Civil Service and Police there is a tendency to exaggerate the need for European officials in the future government of this country. In the first place, the provincial judiciary some of the highest posts of which are now held by European members of the Civil Service is not at all in need of their services; the posts of secretaries to government, as we have already suggested,

may be abolished; the posting of European District Officers and Police Superintendents may be confined to a comparatively few stations which have a kind of strategic significance from an administrative or a communal point of view. In the altered political situation the methods of recruitment of European officials in England will also have to be altered. But whatever recruitment may have to be made, it is a reasonable proposal that it be made through one channel and by a centralised machinery. But one fact is certain, and though not wholly relevant to the purpose, it may be usefully stressed here, namely, that the standard of University education, which is not as high in some of the Indian Universities as it might be, must be toned up in order that Indian graduates playing in future a far larger role in the services of the provinces may not allow the standard of efficiency of public service to deteriorate. To us it seems, however questionable it might appear at first sight, that British educational institutions more than British arms helped to stabilise British rule in this country. For, despite the nationalist triumph in the political struggle, let it be remembered that no standard of public administration, as such, can be more inspiring to a new India than what the generations of British officials have built up in this country amidst the obvious defects, and manifold limitations of an alien rule.

CHAPTER IX.

SWARAJ AND PUBLIC FINANCE.

The finance of a country, said John Bright in course of a memorable debate in the House of Commons, is almost the everything about the country. The remark is largely forensic; yet it contains a fundamental element of truth. The success of a modern government depends in an overwhelming measure on the financial resources which it can command for carrying out its policies. It should be clearly recognised that the state in the present-day world is not merely a regulative instrument for the common good of the society; its functions extend over a much wider field than the maintenance of peace and order or the promulgation and enforcement of a standard of rules governing all forms of civil relation among the members of the community. It even does not exist, in addition, to protect the country from foreign aggression or to regulate the whole world of new phenomena which science and industries have brought into being. The characteristic services of a modern government have far outgrown these mostly primitive and elementary duties. They lie in the economic and social spheres of the community. Every government to-day must render manifold services in these spheres in pursuit of a continued policy of adding to the wealth and welfare of its citizens.

or at any rate, in sustaining them at a given level of attainment. Such services are expensive. They have to be borne by taxation, either direct or indirect, levied on the people themselves according to their capacity to pay.

It will have been suggested, therefore, that Swaraj or self-rule of the Indian people in order to fulfil its cherished end must be based on a sound financial organisation. It must not be imagined, however, that such a proposition necessarily means that high taxation is a condition of the successful working of self-government in this country. Taxes will have to be levied in the future India according to the people's capacity to pay, whatever may be the amount yielded by them. But it may be emphasised here that though high taxation is not a condition of self-government, neither can low taxation be necessarily expected as its result. The chief merit of the financial administration of a self-governing India or a self-governing province shall not lie in raising less revenue or retrenching more expenditure than at present but in raising its revenue wisely and spending it productively. Nothing is more naive and more mischievous than the view entertained in many quarters that under a national *regime* the government of the country will be less expensive or that the taxes levied will be lower. Economy will probably be effected in various directions; costly pageantry that is now associated with public buildings and public functions will probably be given up in the first revulsion of feeling; the scale of pay and pension of the superior services will

probably be revised with a view to their reduction; other unproductive expenditure might also be drastically curtailed. But it is a mistake to suppose all the same that the cost of administration as a whole under the new political order will markedly fall off. Any attempt in the direction of forced reduction of total expenditure will rob the nationalist governments, particularly those in provinces, of their main significance, namely, their efforts for promotion of the wealth and happiness of the people. Popular opinion during the long period of political struggle with a foreign government has been so much biassed in favour of economy as such that it is necessary to stress to-day that expenditure can be more productive than saving, that the best government is not that which spends least but one that spends most wisely.

In considering the financial foundation of the future government of this country it is necessary to bear this fact in mind. For though in envisaging a frame-work of that government we are not concerned with the exact amount of taxes that may or may not be voted by a future legislature, it is still necessary to ensure that a sufficient field is available for raising of money by taxation. It is still arguable that a government has the entire conceivable field open to it for raising of money from and that no useful purpose can be served by examining or defining the possible sources of its revenue. Such a view is not entirely correct to take. The field of taxation assumes a definite constitutional importance under a system of federal

government. The autonomy of the central and local authorities in their respective sphere, which is the essence of federalism, imply that each of these governments should have unhampered fiscal powers. In other words, a division of sphere of government in the widest sense in a federal constitution must also include a division of the available sources of taxation. These sources must be so marked off for the central and the local authority as none might feel financially handicapped in carrying out its policy in the respective spheres.

The salient facts with regard to the present state of financial organisation in India are these: a line has been drawn between the central and provincial heads of revenue. Customs, income tax and salt are the principal sources of revenue which have been allocated to the central government; and land revenue, excise and stamp are the three principal sources of revenue which have been assigned to the provincial governments. Besides these important sources of taxation each of the governments, no doubt, derives a part of their revenue from the various departments they respectively administer. For instance, the local governments derive some income from the forest and registration departments just as the central government draws a valuable part of its income from the administration of such commercial departments as railways, post and telegraphs and from the Indian States. The position of the public finance under the present Government of India Act can be thus summed up that while both the centre and the provinces

derive some income from the subjects which they administer each has to reckon on three or four taxes as the mainstay of their financial resources. In examining a future division of the field of taxation, the income of what are essentially spending departments, that is to say, those departments in which the state's obligation is merely to spend, the receipts from them being of an incidental character, need not come into the picture. Nor need we consider the financial assistance which the central government must doubtless obtain from the commercial services such as railways which on administrative grounds alone must belong to the central sphere. In other words, it is only the principal sources of taxation that need be considered in order to determine as to which of them should fall under the central sphere and which under the provincial. Constitutionally it is noteworthy that under the present Act, despite the allocation of certain revenues to the provincial field, the legislative power of the provinces even with regard to these taxes are subject to the previous sanction of the Government of India. It is only with regard to a few less important taxes such as those on amusement and betting, which are listed in a special schedule that provinces enjoy absolutely a free hand in taxation. On the other hand, subject to the provincialisation of those heads of revenue, whether legislation thereabout is subject to control or not, the taxing power of the central government is absolutely unres-^atricted. It will have been obvious from what has been already stated in this and other

chapters regarding a federal constitution that the taxing power of the local governments must be free from all control of the central government. To put the position constitutionally, the field of taxation like the field of other administration must be co-extensive with the field of legislation in each province or the State.

Sir Walter Layton, the financial assessor with the Simon Commission, made important recommendations with regard to the future allocation of revenues between the governments at the centre and the provinces. His proposals are based on a fundamental recognition that in the years to come the financial responsibility of the local governments must largely increase. Accordingly he formulates his proposals for allocation of main heads of revenue so as to increase markedly the spending power of the provinces. From a nationalist point of view there could not have been enunciated a sounder principle relating to the future of India's finance. The national governments in this country in order to justify their special character and inherent mission must in future play a much more important part than what is done by an alien government at present in developing the country in numerous directions in health, sanitation, education, agriculture, industries etc., by promotion of enlightened economic legislation and ameliorative social measures. The principal argument in favour of a federal constitution in this country is to fix the responsibility for a rapid social and economic development of each local unit of

the country with each of the political authority constituted for such area. But the call which such a programme will make on the financial resources of each government is almost unlimited. Public opinion should accordingly generally welcome the wider taxing power and the additional sources of revenue which Sir Walter Layton would secure to the provinces under his proposals. The eminent economist would make few changes with the existing division of heads of revenue between the central and provincial governments, the only notable exception being a proposal for the transfer of commercial stamp to the central from the provincial exchequer. The resulting loss of $1\frac{1}{2}$ crores of revenue to the provinces is proposed to be made good by limiting the import duty on foreign liquor at 30 per cent and thus enabling the provinces to levy an additional excise duty calculated to yield a commensurate revenue. Subject to this single adjustment which is not expected to disturb the financial *status quo*, Sir Walter Layton suggests that within a period of ten years from the working of a new constitution the central government should surrender to the provinces revenues amounting to 12 crores, 6 crores representing the entire proceeds of salt import and excise duty and another 6 crores representing 50 per cent. of the *personal* income tax collected in each provinces. It is further proposed that agricultural income should be brought under assessment and the whole proceeds of the tax on agricultural income collected in each province should be made

over to the local governments. A revenue of 5 crores is expected to be yielded to the provinces from this source. Still more important accession to the provincial revenue is suggested by the two new taxing powers which, it is proposed, should be conferred on them, namely, the right to levy a terminal tax on goods carried by rail and the right to levy a surcharge on income tax on all persons to the extent of a quarter the rate at which incomes are charged by the central government. The first of these new taxes is expected to yield 8 crores and the second 3 crores to the provinces. The proposals of new taxation are rounded off by Sir Walter Layton by the suggestion of two national excises on tobacco and matches, the former bringing in 5 and the latter 3 crores of rupees respectively. The last two taxes like others under the Layton proposals are to benefit the provinces, the plan being that their proceeds together with that of the salt duty, when surrendered by the central government, should form a provincial fund and be distributed among the provinces according to population. The net position resulting from these financial proposals, as visualised by the economic expert of the Simon Commission, is that the provinces will benefit by a revenue of 24 crores from new taxation and by 12 crores, a few years later, from surrender of existing revenue of the central government.

Apart from other criticisms which we reserve for the moment, it is easy to see how the Layton proposals offend against the federal principle. There are at least five taxes, the

personal and agricultural income tax and the three national excises which Sir Walter would allocate to provinces but which, both for their inherent character and as he himself proposes, must be administered by the central government. It is the central legislature with which the power shall rest of annually voting the income tax and the national excises which, it is the intention of the author of these proposals, should benefit the provinces. Even if the latter be made subject to periodic revision rather than be votable annually, it is obvious that the provinces should remain tied to the legislative wheel of the centre. No financial arrangement could be more subversive of the political autonomy of the provinces. That they will have to be financially subservient to the central legislature is certain. On the other hand, the proposal of dividing the personal income tax between the centre and the provinces clearly suggests the danger of the provinces being over-taxed in order to meet the urgent need for revenue of the centre or of the latter having to over-tax itself to meet the urgent need for revenue of the provinces. It is impossible to reckon on the equation of financial exigencies of the centre on the one hand and of all the provinces on the other. It might be argued that these arrangements fitted in well with the constitution of a central legislature suggested by the Simon Commission, namely, that it should be representative of the provincial legislatures and not of general taxpayers electing members on a popular franchise. We demur to such an explanation

as being a satisfactory one. It is under any circumstance a piece of bad constitution to locate political authority in one legislative organ and a substantial part of the corresponding taxing powers in another. It is, however, not necessary to take the constitutional recommendations of the Commission seriously. For our own purpose it is enough to recognise that in so far as the financial proposals of Sir Walter Layton aim at giving to the provinces sources of revenue which are leviable by the central legislature alone, they imply a negation of a federal government in this country.

There are also other weighty objections against these proposals. Their full effect include a surrender of revenue by the central government within a period of ten years. The feasibility of such a surrender depends on a number of factors, both of reduction of expenditure and increase of revenue, which even though presumed on available data might not after all materialise. It is impossible to foresee conditions with any precision over a period of ten years. At any rate, a future financial arrangement based on the future obligation of surrender of revenue should be avoided, if possible. The history of the remission of provincial contribution under the reforms clearly bring home this lesson. To a popular assembly no method for disposal of revenue surplus appeals more than a remission of existing taxes even in the face of a statutory obligation for a surrender of revenue. The fact that a time margin is available for the discharge of this obligation naturally gives rise to a tendency to

postpone it. This brings us to the third objection against the Layton proposals, that so far as the central budget is concerned the decision of the legislature has been too much prejudged so as to exclude the possibility of remission of taxes. Fourthly, the central revenues, after full effect have been given to these proposals, will be almost entirely deprived of an element of elasticity. In a bad year, it would probably be difficult to raise the schedule of income tax, as possible repercussions of such a measure in the provincial politics would provoke much opposition. The salt revenue which has hitherto served the extra need of a stringent year will have been also provincialised. In the circumstances, the ingenuity of the Finance Minister will be greatly taxed in future if the sudden need for a new revenue has to be met. Finally, it appears as somewhat perilous that for central expenditure so large a reliance should be placed on the customs and income tax alone. Under the prospective balance sheet of the central government which Sir Walter Layton has drawn up, out of the total revenue of 82 crores, no less than 68 crores are proposed to be raised from these sources. These two are precisely the two items which are liable to be first affected in a year of trade depression. We perfectly recognise, however, that this is a criticism which can be brought forward against the central revenue even under the existing position. But we venture to feel that the incipient danger of the situation should be mitigated, if possible, when a new division of the sources of revenue is adopted.

We turn now to formulate our own constructive proposals. It will have been observed that Sir Walter Layton in his scheme proposed to make over to the provinces large proceeds of income tax to the extent of $4\frac{1}{2}$ * crores being the half of what is collected on personal income, the other half being retained for the centre. To us it seems that the constitutional difficulties which, we have seen, are involved in the Layton proposals, will be greatly solved if the tax on personal income is *entirely* provincialised. It must, however, be made definitely clear what is exactly meant by personal income tax. All income must ultimately accrue to one person or another and as such, it might at first thought appear as somewhat enigmatic that a certain part of the tax on income should be considered as non-personal or not collected from income belonging to particular individuals. Yet the apparent enigma is the truth. In the first place, income tax is payable by the limited liability companies on their entire profit. The portion of it that is distributed among the share-holders appears in the returns of income submitted by the assesses but the part of the profit which remains undistributed, being carried to one or other of the reserves, does not appear in the personal returns, though it is fully assessable to the tax. Again, the investors not resident in the country do not file any return of income; yet the dividend or profit which they earn is assessed to the tax at the source. These two items, therefore, the undistributed

* Excluding what yield there may be of a tax on agricultural income, if levied.

profit of a company and the income of absentee investors are the two sources of what has been described as non-personal income, that is to say, income not appearing in the returns submitted by individual assesseees. This lengthy explanation has been necessary in order to emphasise the fact that though a distinction is made between personal and non-personal income tax, they emanate from and relate to the identical rates schedule. In other words, though it is possible to provincialise the personal income tax reserving to the centre the non-personal income tax, the legislative power of taxation does not admit of a corresponding division. It must rest as a whole either with the centre or the individual provinces. And we insistently hold that this taxing power should rest with the latter, subject to a maximum and a minimum rate prescribed by statutory rules. The last reservation is necessary both in the interest of saef-guarding central revenue from super tax, as also to guard against too wide a disparity in the incidence of provincial tax schedule.

The provincialisation of personal income tax will, however, mean a drop in revenue of the central government of 9 crores in round figure. We propose that this deficit be made good by centralising the proposed general excises on tobacco and matches. These two revenues have been estimated to yield an income of 8 crores, a figure to the correctness of which doubt has been cast by the Government of India. We are willing to make allowance for a margin of error, particularly with regard to

wholly new taxes. We would accordingly suggest that for a period of five years after the new constitution starts functioning, each of the provinces should make a contribution to the central government in successive years at a gradually diminishing rate of 25, 20, 15, 10 and 5 per cent. of their revenue from personal income tax. With such a provision for a transitional period the central government will have abundant time to recover from the loss of its old revenue by consolidation of new ones. If we urged the treatment of new national excises as central revenues, we are equally insistent that the salt revenue should not be provincialised even at a future date. The continuance of all national excises as central revenues and the provincialisation of all personal income tax would completely remove the anomalous constitutional position that taxes intended to benefit the provinces are required to be voted by the central legislature. Our proposals will have the additional merit of giving a sufficient elasticity to the central revenues and in making them less dependent on income tax than under the Layton Scheme the central government will be in a better position to withstand the effects of trade depression. Indeed as we envisage the situation, probably in the normal years the excise will be kept at the lowest possible level and will be adjusted in upward direction to meet the extraordinary need for revenue in particular years.

Turning to other proposals of Sir Walter Layton, we agree that terminal tax should be recognised as a constitutionally available source

of provincial revenue. But it is useless to consider whether this should be levied in a general scale by any and every province. It is enough for our purpose to recognise that such a field is open to provincial taxation. Whether it will be explored in a limited or general scale, just as whether a tax should be levied on agricultural income are matters which shall be determined by the provincial legislatures in future. From a constitutional point of view we are concerned with the demarcation of the field of taxation. It is true that taking as a basis of comparison Sir Walter Layton's prospective balance sheet* of the central government and the provinces at a date ten years after the introduction of the new constitution, it might appear that the net effect of our modified proposals would be to reduce the resources of the provinces by 8 crores of rupees. This figure is arrived at in the following way. The three national excises which Sir Walter Layton intended to benefit the provinces were calculated to yield 14 crores of rupees. All of them we have proposed to centralise. Against this loss of the provinces a set-off, however, has to be made of 6 crores of rupees newly accruing to the provinces according to the suggestion we have put forward of making over to them the remaining fifty per cent. of the personal income tax. The net loss thus resulting to the provinces works out at 8 crores. It is a mistake, however, to lay emphasis on the loss calculated on a hypothetical balance sheet, many entries to the

*Vide Simon Commission's Report Vol. II page 237.

asset side of which might or might not be made by the future legislature. On the other hand, the fact must not be lost sight of that in personal income tax the provinces will have realised a progressive revenue of large potentiality and almost unlimited elasticity. There are again such fields of taxation as death duty and inheritance tax which it is open to the provinces to exploit, should they decide to embark on expensive programmes of development not likely to be fully financed even from their augmented resources with personal income tax provincialised or by the levy of a tax on agricultural income or of a terminal tax on the consignments of suitable commodities carried by rail. In adopting a scheme of allocation of taxes, we feel it hardly possible to take a too long view of the financial future. All that is necessary is to ensure that the distribution of sources of revenue between the centre and the provinces may not be unfair, that neither side may reap an excessive benefit at the expense of another. We recognise with Sir Walter Layton that the need for new revenue will be particularly clamant in the provinces. And we feel satisfied that our proposals take full account of this fact. Immediately with the introduction of the new constitution the resources of the provinces, as we have suggested them to be, will be augmented by $6\frac{3}{4}$ crores* of rupees, the field being

* Sir Walter Layton in his proposals already took credit for fifty per cent of personal income tax to be provincialised. The present total yield from personal income tax has been estimated at 9 crores of rupees but is expected to advance to 12 crores ten years hence.

left open to them for raising still further revenue.

In examining the scheme of allocation we have hitherto treated the provinces collectively. Little endeavour has been made to ascertain how far the transfer of personal income tax to the provinces will work out in the case of the individual provinces. The Government of India in their despatch on the report of the Simon Commission adduces certain figures to show that the provinces will benefit in widely varying amounts as a result of transfer of even half the personal income tax. Should our proposal be accepted of provincialising the entire personal income tax, it is obvious that the variation in increased spending power of the provinces will cover a still wider range. Against such criticism it may be pointed out, however, that if the provinces will benefit differentially in regard to added resources, they vary even now in their present revenue judged on a common denomination of population. We set out in the following table the relevant statistics in these behalf.

Province	Revenue accord ing to accounts 1928-29	Estimated pro- ceeds of income tax to be transferred	Present ex- penditure per head of population.
Madras	... 1753	101.6	4.1
Bombay	... 1522	181.2	8.2
Bengal	... 1099	192	2.5
United Provinces	... 1145	65.2	2.7
Punjab	... 1116	61.5	5.5
Behar & Orissa	... 578	47.2	1.8
Central Provinces	... 536	33.4	3.7
Assam	... 274	17.8	3.9

(Figures of column 2 and 3 are in lakhs of rupees and of last in rupee only).

It will be seen that though the provinces will emerge out of the new arrangement benefitted in a varying degree, the variation is not more marked than what exists in their present financial position. It is impossible, however, to assess the needs of each province and then to formulate proposals of allocation so as to meet the needs of all. Past neglect in the development of individual provinces is bound to reflect itself in their present financial resources. The fact is writ large on the provincial finance and cannot be denied. Any attempt to take such effects of past administration into account must entail giving up the task of formulating a scheme of financial allocation on an uniform principle. It is the uniformity of treatment which is the essence of such a scheme. For, once the door is opened of special adjustment there will be no end of such special treatment giving rise to a financial arrangement featured, in effect, by a system of doles or contributions which will defeat the real working of a federal constitution. Nor, it must be remembered, is it easy to assess the individual needs of the provinces. The spending power per head of population, though a dependable criterion to a certain extent, cannot be applied as an unerring test. We feel, therefore, satisfied that no endeavour need be made to assess on a clean slate the needs of individual provinces, particularly as our proposal of transferring personal income tax will add a progressive revenue to the resources of the provinces. We have also included in the field of provincial taxation sources which, if exploited, will yield substantial

revenue. Whether such exploitation should be made or not is no part of our business to suggest. Constitutionally it is enough to leave an untapped margin in the fiscal resources of the provinces commensurate with the need for new revenue.

CHAPTER X.

A NEW ORDER AND A NEW INSTRUMENT.

The most characteristic development of a modern political society is its economic orientation. Broadly speaking, the political life of a people may be regarded as identical with the sphere in which they come in contact with the government or the governing machinery of the land. Politics to-day fill an extraordinarily large space in the mind of average educated man and woman in this country. But this is politics of a kind; it is a mental accentuation due to a conflict which nationalist thought and activity has quickened in the recent years. But despite the close mental grip with the problem of government as a whole, it is open to serious doubt if our average political opinion is yet keenly appreciative of the special nature of the modern task of self-government. This task in reality hinges on one fundamental fact about the civilised society, as it is constituted to-day, namely, that its most vital foundation is economic. It is not at all to be presumed, however, that economic are the highest values with which a modern society need be concerned. It is open to a community to attach what value it would to the economic aspect of life. But it is certain that if one thing counts more than another for the peace and ordered existence of the society in the modern

world, it is the regulation of those numerous collective issues which affect the economic well-being of the community as a whole and of its different groups in a varying manner. Such importance of the economic questions in the communal life is due to the vastly increased material comfort which characterises modern living. For good or for evil, the fact is there and is undisputable. And the result has been that the whole society has been turned into a busy wealth-producing organisation in which no single group can stand aloof and work its own destiny out by isolated effort. The economic aspect of the present day corporate life has obtruded itself so prominently out from the rest of its phases that a whole school of social thinkers is of opinion that the economic is the only basis on which the political institution should be set up. A political democracy should in their view be replaced by an industrial democracy. Human thought has a tendency to travel much ahead of human achievement. And whatever practical experiment of guild socialism may be in store for us in future, no panoply of an industrial democracy is yet visible in any land. It is still remarkable, however, that in a number of post-war constitutions of European countries, the importance has been recognised of the economic issues regularly facing a government and a special machinery, representative of various economic interests, has been devised as a subsidiary deliberative body to guide and advise the government upon all questions of economic policy. We venture to feel that a similar

machinery is needed in the future constitution of India.

We anticipate, however, objection to and criticism of such a proposal. It would probably be argued that an advisory assembly constituted on purely economic or functional basis might be justified to satisfy special conditions of an intensely developed industrial life of some of the Western countries. But here in India where industrialism is yet in its beginning, where the collective economic life of the people is relatively much free from strain and tension, it would be mere fashionable constitution-mongering to attempt to set up such a political institution. We largely acquiesce in the premises of this argument but venture to demur to the conclusion. Self-government in order to be real in this country must lie along a path in which the state will play an increasing part in promotion of social well-being and economic prosperity of the people. The sphere of the state action must for this reason markedly widen in the economic life. And in no respect is a modern society more variedly constituted than in its component economic elements. An economic policy which suits the industrial employers may not suit the work-people; an economic legislation which promotes the best interests of the industrial capital and labour may not equally benefit the agriculturists; or one that is acceptable to all the productive interests may definitely injure the professional classes or men with fixed income. The chances of conflict in economic interests resulting from a particular state policy or ac-

tion are too obvious to be argued at length. The impact of the world economic forces on India has been so decided since the War that such chances are not only incipient in the future economic development of this country but would appear as already active to any discerning observer even under present economic conditions. The monetary policy, the ratio controversy, the proposal for a reserve bank, the protection of steel and cotton textile industries are some of the outstanding economic questions which the Legislative Assembly had had occasion of dealing with in recent years. The decision on each of these important questions were, as will always be, fraught with wide-flung repercussions affecting in some cases the entire gamut of the economic life of the country. A popular assembly constituted on territorial basis was clearly unfitted to express the real will of the people with regard to such economic issues. As already emphasised the economic interests of men differ functionally and it is only an assembly based on functional representation which could have given a correct expression to the communal mind in economic and social matters. It is true that under the stress of nationalist feeling, there was a singular agreement of opinion among the popular representatives in Assembly with regard to most of these questions. But such agreement as was prompted by purely political sympathy is more a measure of the failure than of the success of the political assembly to represent the real mind of the entire community. It is after all useless to draw inferences about

the future trend of India's economic politics with too close a reference to current political happenings. Nationalist politics are a great leveller of economic distinctions. And even if on the floor of the Legislative Assembly to-day there is little exhibition of differences in economic interests, they are bound to reveal themselves when the exceptional stimulus of fighting a foreign government shall have worked itself out. Nor is this the only argument in favour of a functional assembly. A crop of industrial measures were on the legislative anvil in recent years, such as Factories Act, Indian Mines Act, Workmen's Compensation Act, Trade Union Act, Trade Disputes Act. A correct appreciation of the provisions of these measure presupposed some acquaintance at least on the part of the members of the popular assembly with the conditions of industrial life. Unfortunately this was precisely what was wanting. The Mines Act was passed in a House in which probably not more than two non-official members out of 120 had seen a mine in their lives. The Trade Disputes Act was dealt with by a House in which there was not more than two gentlemen who could have claimed even an academic connection with a labour organisation, far less were they in touch with work-people of even a single industry. The result was that all these legislative measures relating to the industrial life had to be passed through an apathetic House in which one or two popular representatives monopolised all the wisdom and bulk of the say in these matters. Even at the Select Committee stage, the interest taken

in the detailed provisions of the bills is limited and there are instances where an important industrial legislation was hustled through the Select Committee in two to three sittings of a couple of hours of each. Having regard to the specialised character of most of the economic legislation, there is the gravest danger of the popular assembly being gulled by the whipping propaganda of the interested parties. It is useless to discuss if the Assembly in the past has succumbed to such pitfalls. But the very possibility of the danger points to the necessity of applying a corrective against a purely political constitution of a popular legislative organ.

This is precisely what has been done in republican Germany and a number of other new states of Europe. Article 165 of the new German constitution provides for the setting up of a National Economic Council, District Economic Councils, and Workers' Councils. The two latter represent the subordinate institutions in the hierarchy of an economic organisation intended to lead up to the National Economic Council at the acme. The full panoply of this country-wide organisation has not yet been brought into being. Yet by executive action the Government constituted in February, 1920, a provisional National Economic Council composed both of members nominated by Government and those elected by the principal organisations of German industrial employers and workers. The constitution provides that all social and economic legislation should in the first instance be brought before the National Economic Council prior to

their introduction before the Reichstag or the lower House of the federal parliament. The Government are under an obligation to report the views of the Council to the Legislature even if they decline to accept its advice on specific points of the legislation. The Council moreover enjoys the constitutional right to initiate measures for which, however, it must depend on the Government to introduce in the Reichstag. As laid down in the Constitution, the Council should be composed of workers, employers and "other interested classes." The German Government interpreted the last clause to mean consumers, officials and men of liberal profession the representatives of whom were included in the Council by nomination. The Council as finally constituted has a membership of 326 representing nine vocational groups, namely, agriculture, industry, commerce, transport, handicrafts, consumers, officials and liberal professions besides a special group of the Reichstag. In the productive groups there is generally speaking a parity of membership representing the employers and workers. A similar machinery to the German Economic Council also exists in Czecho-slovakia. The original council was set up in November, 1919 but was reconstituted in December, 1921. It consists of 150 members, sixty representing the central employers' organisation, sixty the trade unions and thirty specialists chosen for their technical knowledge of economic science. The Jugoslavian and Polish constitutions also make provision for economic self-government in each individual field of economic life consummating.

in the setting up of a Supreme Economic Council. But not in the one case as in the other has the constitutional provision been carried into effect.

This short sketch of the Economic Council will be helpful in formulating proposals for a similar machinery in this country. A preliminary point, however, must be determined and made clear in this connection. There might be a tendency to confuse the kind of machinery we have in view with the proposed Economic Council which the Government of India have under consideration at the present moment. The visit of Sir Arthur Salter, Director of the Economic Section of the League of Nations Secretariat, to this country to advise Government regarding the constitution of an Economic Council has focussed public attention on the subject. What the Government of India have evidently in view is the bringing together on a platform some of those academic and non-official elements in public life which can offer expert advice to Government with regard to various measures and policies of economic significance. The object underlying the proposal is essentially to avail of technical advice and guidance from a body of experts. Such advice has been sought and given hitherto by Special Committees and Commissions appointed *ad hoc* to consider specific questions or specific situations, such as the Chamberlain Commission, the Babington Smith Committee, the Young Commission, the Todhunter Committee, the Fiscal Commission etc. It has been urged and obviously been felt by the Govern-

ment themselves that the economic decisions involving technical knowledge are so numerous and form such a normal feature of the day-to-day administration that it is impossible to depend on *ad hoc* bodies of economic experts. It is now proposed to have a standing body of experts, such for instance as the Tariff Board or the Imperial Council of Agricultural Research are, so that reference of all important economic questions to them may be possible at a very short notice. It is doubtful in our opinion whether an Economic Council so constituted can serve the purpose of contributing a sufficiently expert view of economic issues of government. A body of non-officials sitting, say, once a quarter for a short session cannot be expected to claim a close and intense study of facts and data without which no one equipped only generally either by scholarship or business experience can return an expert view of the matters. In any case, the view of such a body forming no part of the Government either in theory or practice is one with which no government can identify itself without further examination by their own experts. The better proposal to equip a government with expert economic advice is to maintain what has been called "a general economic staff," a body of experts occupying whole-time salaried positions and helping the politicians in office with expert advice. Whatever may be the constitution finally adopted for the machinery which the Government of India have now in view, we desire to stress one fact, that it will be designed to obtain the best expert advice on

economic questions, while we on our part are envisaging a different machinery with a wholly different purpose. The Economic Council that we advocate will no doubt be composed of men with specialised knowledge of the different aspects of economic life and in this sense will be an expert body in comparison with a political assembly constituted purely on a territorial basis. But fundamentally our object is to organise a representative body composed not of representatives of local areas but of different economic vocational groups into which a modern society divides itself, each group being sub-divided unless conditions otherwise demand, into employers and workers. We do not propose that government of a country should be organised only with reference to a hierarchy of economic groups. There is no suggestion whatsoever of replacing the political organisations as they are constituted. But we certainly argue that it is impossible to give proper expression to the general will of the community whose vital foundation under modern conditions is economic, unless a political sphere is marked out in which the community is represented in its economic distinctions. Such an economic assembly need not question the paramount authority of the political assembly. But even the organised expression of the will of each economic group will serve to allay the incipient danger of any one interest or a combination of a few smaller economic interests shaping and guiding the policy of the state according to their own special needs.

A practical difficulty in the establishment of

an Economic Council in this country is the absence of sufficient organisation of the various groups. In the recent years there has been a remarkable stimulus towards organising group lives. Commercial and industrial associations are to be met with almost in every major industrial or commercial centres. Labour unions are springing up all over the country. The service associations, comparatively the latest development in the group organisation, are already a nightmare to many of the highest departmental authorities. The character of organisation attained is no doubt very inefficient. Moreover the great bulk of the community remains still unorganised. For example, the vast agricultural interests and the lower urban middle classes consisting of men of profession and the industrial consumers have hitherto shown little tendency towards organisation. But we venture to believe that a representation on vocational lines will stimulate the tendencies of organising group life. In fact, it is the absence of these organisations which make it essential that a political assembly should be set up on the group basis. In the British House of Commons, no less than one-third of the members are those who are connected with a trade union or an employers' or any other association* ! In India where only a few inefficient organisations exist, the fact is more an argument in favour of than an argument against the setting up of an economic assembly as a kind of constitutional supplement to the supreme legislative organ of the national government.

*Vide F. A. Ogg English Government and Politics: page 451.

It is difficult to lay down a fully worked constitution of an Indian Economic Council. But we venture to feel that the following may be taken as a rough outline of the economic assembly. At any rate, it can form the basis of fuller discussion on the subject.

An outline of constitution of an Indian Economic Council.

			Seats allotted.	
Group	I	Industries	...	30
		Employers	...	15
		Workers	...	15
Group	II	Agriculture	...	30
		Landlords	...	10
		Farmers	...	20
Group	III	Commerce (Employers only)	...	20
		Big Merchants	...	10
		Retail traders	...	10
Group	IV	Liberal Professions	...	20
		Lawyers	...	7
		Doctors	...	7
Group	V	Teachers	...	6
		Salaried classes (non-Railway)	...	20
Group	VI	Manual Workers (non-industrial, non-agricultural, and non-Railway).	...	10
Group	VII	Artisans	...	10
Group	VIII	Railway Employers	...	5
Group	IX	Members of Central Legislature	...	5
Total seats			...	150

We are perfectly aware that such a scheme of an Indian Economic Council which we have set forth is liable to various criticisms. We do not, however, yet feel that it is necessary for us to attempt any justification for it. In the first place, the scheme itself is of a tentative character; secondly, it is impossible to formulate any universally agreed scheme on a matter like this; thirdly, it is enough for the present that public opinion recognises the need for such a constitutional machinery. Once the idea of an Economic Council is generally accepted, its detailed constitution will no doubt emerge from the public discussion which would in that case follow. For the moment, the institution itself is so novel to the orthodox school of political opinion in this country that there is some chance of its being banned as an experiment in Marxian philosophy or even as a veiled beginning of a system of government inspired by class hatred. To those who have a discerning appreciation of the real nature of the modern society, sustained by an intense production of wealth, much of these criticisms against a proposed Economic Council would appear as superficial, if not callously stupid. Pacifists in social thought may live in a fool's paradise by pretending to believe that there is nothing like class distinction, that to acknowledge it is only to help to create it. Little seems this school of thinkers to have realised that the path of peace does not lie in ignorance of, far less in ignoring facts that are writ large on life, and that the cause of peace is promoted best when steps are taken to meet and not repress these facts.

